

HARYANA GOVERNMENT
URBAN LOCAL BODIES DEPARTMENT

Notification

The 3rd February, 2025

Haryana Municipal Account Code, 2025

Under Haryana Municipal Act, 1973

and

Haryana Municipal Corporation Act, 1994

PART-I

No. S.O. 7/H.A. 24/1973/S. 257/2025.— The following draft of the code, which the Governor of Haryana proposes to make in exercise of the powers conferred under sub-section (1) and (3) of section 257 of the Haryana Municipal Act, 1973 (24 of 1973), is hereby published as required under sub-section (5) of section 257 of the Act for the information of persons likely to be affected thereby.

Notice is hereby given that the draft of the code shall be taken into consideration by the State Government on or after the expiry of a period of fifteen days from the date of publication of this notification in the Official Gazette, together with objections or suggestions, if any, which may be received by the Commissioner and Secretary to Government, Haryana, Urban Local Bodies Department at Chandigarh, from any person with respect to the draft of the code before the expiry of the period so specified.

Draft Code

CHAPTER-I

General

Short title, extent and commencement

- 1.1** This Code may be called the Haryana Municipal Account Code, 2025.
- 1.2** It extends to all the municipalities falling in State of Haryana.
- 1.3** It shall come into force on the date of its publication in the Official Gazette.
- 1.4 Definitions**

In this Code, unless the context otherwise requires, -

- 1.(4.1)** “**account**” means a formal record of a particular type of transaction expressed in money or another unit of measurement and kept in a ledger;
- 1.(4.2)** “**accountant**” means any senior employee of the Municipality entrusted with the responsibility of accounting of incomes, expenditures and assets and liabilities of the Municipality, irrespective of the cadre to which the employee belongs;
- 1.(4.3)** “**accounting entry**” means a record of the financial transaction in the books of account like a journal, ledger or cash book etc;
- 1.(4.4)** “**head of accounts branch**” means any officer who is in-charge of the Accounts branch of the Municipality entrusted with the responsibility of accounting the incomes, expenditures, Assets and Liabilities of the Municipality;
- 1.(4.5)** “**amount payable**” means an amount owed by a Municipality on account of goods purchased or services received or in respect of contractual obligations; also termed as a trade creditor or sundry creditors;
- 1.(4.6)** “**accounting period**” means the period for which an account statement is customarily prepared (Generally from 1st April to 31st March);
- 1.(4.7)** “**accounting principles**” means the general principle and procedure under which the accounts of a Municipality are maintained. An accounting principle is an adaptation or special application of a principle necessary to meet the peculiarities of a Municipality or the needs of its management;
- 1.(4.8)** “**amount receivable**” means amounts due from a person from whom amounts are due for goods sold, or services rendered or due in respect of statutory levies or in respect of contractual obligations and included debt or, trade debtor and sundry debtor. The words ‘Receivables’ and ‘Debtors’ are used interchangeably;
- 1.(4.9)** “**accounting unit**” means a zone, circle, division, project or ward office identified by the Municipality as a unit for maintenance of accounting records;

- 1.(4.10) **“accounting year”** means the Financial Year as prescribed by the State Government.
- 1.(4.11) **“accrual”** means recognition of revenues and costs as they are earned and incurred and includes recognition of transactions relating to assets and liabilities irrespective of the actual receipts and payments;
- 1.(4.12) **“accrual basis of accounting”** means the method of accounting whereby revenues and expenses are identified with specific periods such as a month or year and are recorded as accrued or incurred along-with acquired assets without regard to the date of receipt or payment of cash distinguished from cash basis;
- 1.(4.13) **“accrued or due”** in respect to an asset or a liability it means “a claim which has become enforceable arising out from the sale or purchase of goods/services, contractual/statutory obligation or otherwise and has become receivable or payable, in respect to an income or an expenditure it means the amount earned or incurred in an accounting period for which a claim has become enforceable and it arises from the sale or purchase of goods/services, contractual obligation or from constitution power or function entrusted by Government or Law to local governance or otherwise and has become receivable or payable”;
- 1.(4.14) **“accrued but not due”** in respect to an asset or a liability it means a claim which has not yet become enforceable which accumulates with the passage of time or arises from the sale purchase of goods or rendering of services which, on the date of period-end, have been partly performed and are not yet receivable or payable and with respect to an income or an expense, it means the amount earned or incurred in an accounting period, but for which no enforceable claim has become due in that period. It accumulates with time or arises from the sale or purchase of goods/services which on the date of accounting, have been partly performed and are not yet receivable or payable;
- 1.(4.15) **“accumulated depreciation”** means the total up to date periodic depreciation charges on depreciable assets from the date of purchase/put to use;
- 1.(4.16) **“act”** means the Haryana Municipal Act, 1973 (24 of 1973), or Haryana Municipal Corporation Act 1994 (16 of 1994), as the case may be;
- 1.(4.17) **“adequate funds”** means minimum municipal fund balance to be maintained by Municipalities to ensure its financial stability and regular payment of salary and allowance for three months to its employees;
- 1.(4.18) **“administrative department”** means the Department of Government in Urban Local Bodies;
- 1.(4.19) **“administrative approval”** means the formal acceptance by the department of the proposal for an original work (other than a petty work) to be undertaken for the department either by the Engineering Branch or any other Branch to which the work has been assigned;
- 1.(4.20) **“advance”** means a payment made on account of, but before completion of a contract or before the acquisition of goods or receipt of services;
- 1.(4.21) **“amortization”** means the gradual and systematic writing off of an asset or an account over an appropriate period. The amount on which amortization is provided is referred to as amortizable amount. Depreciation accounting is a form of amortization applied to depreciable assets. Depletion accounting is another form of amortization applied to waste assets. Amortization also refers to gradual extinction or provision for the extinction of debt by gradual redemption or sinking fund payments or the gradual writing off to revenue of miscellaneous expenditure carried forward;
- 1.(4.22) **“annual report”** means a statement of the financial condition and operating results of a Municipality, prepared yearly for submission to interested parties; summarizing its operations for the preceding year and including a balance sheet, income and expenditure statement, cash flow statement and often a receipts and payments statement and the auditor's report, together with comments by the Chief Municipal Officer/Chairperson on the year's operations;
- 1.(4.23) **“assets”** means tangible assets, objects or intangible rights owned by the municipality and carrying probable future benefits;
- 1.(4.24) **“assigned revenue”** means the revenues in the nature of a share in the revenues of the State Government, to compensate for certain losses in revenue and arrangement of resources of the municipalities to meet their administrative and development cost and is determined on the basis of the revenues collected by Municipalities and the recommendations of the State Finance Commissions and devolution of funds to municipalities;
- 1.(4.25) **“asset replacement fund”** means a fund created for replacement of an asset. The fund shall normally be equal to the amount of depreciation provided on the fixed assets and shall be utilized

only for replacement of those fixed assets or for any other purpose as resolved by the Municipalities;

- 1.(4.26) **“auditor”** means Auditor in the establishment of the Examiner, Local Fund Auditor Haryana (Now Director, Local Audit) or **State Government in Finance Department** to audit the accounts of Municipality;
- 1.(4.27) **“bad debts”** means debts owed to the municipalities, which are considered to be irrecoverable, *e.g.*, arrears of taxes, fees, and other revenue left uncollected and considered to be irrecoverable;
- 1.(4.28) **“balancing”** means a balance of an account, debit, and credit which are totalled up separately and the difference is ascertained. This difference is put on the side that is lower to balance the two sides of an account;
- 1.(4.29) **“balance sheet”** means a statement of the financial position of a Municipality as at a given date, which exhibits its assets, liabilities, capital, reserves and other account balances at their respective book values;
- 1.(4.30) **“bank book”** means a book of original entry for recording transactions about Bank Accounts of the Municipality;
- 1.(4.31) **“bank reconciliation statement”** means a statement which reflects the nature and amount of transaction, not responded either by the Municipality or by the Bank as on a particular date. Such a statement may also reflect errors/omissions in the recording of the transaction between the Municipality and the Bank;
- 1.(4.32) **“books of original entry”** means a record book recognized by law or custom, in which transactions are successively recorded, and which is the source of postings to ledgers; Books of original entry include General and special journals, such as Cash and Bank books;
- 1.(4.33) **“budget”** means a quantitative plan of activities and programs expressed concerning money in respect of assets, liabilities, revenues, and expenses and shall express the municipality goals regarding specific financial and operating objectives. The budget shall be prepared in formats as prescribed;
- 1.(4.34) **“budget grant”** means the total sum entered on the expenditure side of a budget estimate under a major head and adopted by the municipality, and includes any sum by which such budget grant is increased or reduced by transfer from or to other heads in accordance with the provisions of the Haryana Municipal Act 1973 (24 of 1973) and Haryana Municipal Corporation Act, 1994 (16 of 1994), and the rules and the regulations made thereunder;
- 1.(4.35) **“CAG”** means the Comptroller and Auditor General of India appointed under article 148 of the Constitution of India;
- 1.(4.36) **“capitalization”** means an expenditure for a fixed asset or addition to it that has the effect of enlarging physical dimensions, increasing productivity, lengthening future life or lowering future costs;
- 1.(4.37) **“capital expenditure”** means expenditure incurred for fixed assets creation and additions to it including expenditure that adds fixed asset units or that has the effect of improving the capacity, efficiency, life span or economy of operations of an existing asset;
- 1.(4.38) **“capital work in progress”** means expenditure on capital assets which are in the process of construction or completion;
- 1.(4.39) **“cash book”** means a book of original entry for cash receipts, disbursements/ payments or both;
- 1.(4.40) **“cash flow statement”** means a financial statement prepared for an accounting period to depict the inflows and outflows of cash and cash equivalents of an enterprise. It reports cash flows classified by operating, investing and financing activities;
- 1.(4.41) **“casting”** means totalling of amounts in the books of accounts;
- 1.(4.42) **“casual vacancy”** means a vacancy occurring otherwise than by efflux of time in the office of a member or in any other elective office;
- 1.(4.43) **“chairperson”** means Mayor in case of Municipal Corporation or President in case of Municipal Council or Municipal Committee
- 1.(4.44) **“chartered accountant”** means chartered accountant within the meaning of the Chartered Accountant Act, 1949 (Central Act 38 of 1949);
- 1.(4.45) **“chief administrator”** means the Chief Administrator of the board as defined in section 5A of Haryana Municipal Act, 1973 (24 of 1973) or Chief Administrator of the Haryana Slum Clearance Board and Haryana Urban Infrastructural Development Board ;
- 1.(4.46) **“chief engineer”** means an engineer appointed as such by the State Government;

- 1.(4.47) **“chief municipal officer”** means Commissioner in case of Municipal Corporations, Chief Executive Officer (CEO) in case of District Headquarter Municipal Councils, Executive Officer (EO) in case of all other Municipal Councils and Secretary in case of Municipal Committees;
- 1.(4.48) **“chart of account”** means a unique numeric or alphanumeric identification given to each account to facilitate classification and ease of recording;
- 1.(4.49) **“commissioner”** means Commissioner of the Corporation appointed by the State Government;
- 1.(4.50) **“contingent liability”** means an obligation relating to an existing condition or situation which may arise in future depending on the occurrence or non-occurrence of one or more uncertain future event(s);
- 1.(4.51) **“contra entry”** means an item on one side of an account which offsets fully or in part one or more items on the opposite side of the same account;
- 1.(4.52) **“control account”** means an account in the general ledger that consists of related sub-accounts. The total of the related sub-accounts shall match with the balance in the related control account;
- 1.(4.53) **“corrupt practice”** means any of the practices specified under rule 73 of the Haryana Municipal Elections Rules, 1978 framed under the Haryana Municipal Act, 1973 (24 of 1973) or specified under section 22 of the Haryana Municipal Corporation Act, 1994 (16 of 1994);
- 1.(4.54) **“cost”** means the amount of expenditure incurred on or attributable to a specified article, product and activity
- 1.(4.55) **“cost of acquisition”** means the cost of an asset comprising its purchase price and includes import duties and other non-refundable taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price;
- 1.(4.56) **“cost of investment”** means the amount of expenditure incurred on or attributable to the purchase/acquisition of an investment and it includes acquisition charges such as brokerage, fees, and duties;
- 1.(4.57) **“credit”** means a book keeping entry recording the reduction or elimination of an asset or an expense, or the creation of or addition to liability or item of net worth or revenue; an entry on the right side of an account; the amount so recorded;
- 1.(4.58) **“current assets”** means cash and other assets that are expected to be converted into cash or consumed in the rendering of services in the normal course of operations of the Municipalities normally within twelve months;
- 1.(4.59) **“current liability”** means liability including loans, deposits and bank overdrafts which fall due for payment in a relatively short period, normally not more than twelve months;
- 1.(4.60) **“debenture”** means a formal document constituting acknowledgment of a debt by a Municipality, usually given under its common seal and normally containing provisions regarding payment of interest, repayment of principle and security, if any and it is transferable in the appropriate manner;
- 1.(4.61) **“debit”** means the goods or benefit received from a transaction; a book-keeping entry recording the creation of or addition to an asset or an expense, or the reduction or elimination of a liability, or item of net worth or revenue, an entry on the left side of an account, the amount so recorded;
- 1.(4.62) **“deferred revenue expenditure”** means an expenditure for which payment has been made or a liability incurred but which is carried forward on the presumption that it shall be of benefit over a subsequent period or periods. This is also referred to as Deferred Expenditure;
- 1.(4.63) **“deficit”** means the excess of expenditure over income of the Municipality for the accounting period under consideration;
- 1.(4.64) **“depreciable amount”** means the historical cost or other amount substituted for the historical cost of a depreciable asset in the financial statements less the estimated residual value;
- 1.(4.65) **“depreciable asset”** means an asset which is expected to be used during more than one accounting year, has a limited useful life, and is held by the Municipalities for use in the supply of goods and services, for rental to others, or for administrative purposes and not for the purpose of sale in the ordinary course of operations of the Municipality;
- 1.(4.66) **“depreciation”** means a measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, effluxion of time or obsolescence through technology and market changes. It is allocated to charge a fair proportion in each accounting period during the useful life of the asset. It includes amortization of assets whose useful life is predetermined and depletion of wasting assets;
- 1.(4.67) **“depreciation method”** means the arithmetic procedure followed in determining a provision for depreciation (an expense) and maintaining the accumulated balance;

- 1.(4.68) **“district municipal commissioner”** means the District Municipal Commissioner as defined under Haryana Municipal Act, 1973(24 of 1973);
- 1.(4.69) **“depreciation rate”** means a percentage which when applied to the depreciable amount shall yield depreciation expense for a year;
- 1.(4.70) **“dividend income”** means an income received from investments by a Municipality in shares/units;
- 1.(4.71) **“divisional commissioner”** means the Commissioner of the Division in which the Corporation is situated and includes any other officer appointed by the Government to perform all or any of the functions of the Divisional Commissioner under this Act;
- 1.(4.72) **“director of urban local bodies”** means office of Director General/Director, Urban Local Bodies Haryana;
- 1.(4.73) **“drawing and disbursing officer”** means the head of the office or any person designated by Government or any competent authority to exercise the power of drawing and disbursing officers;
- 1.(4.74) **“earmarked funds”** means the funds representing special funds to be utilized for specific purposes;
- 1.(4.75) **“employee”** means an Officer or officials appointed by Government of Haryana/ Director Urban Local Bodies/ District Municipal Commissioner/Deputy Commissioner/ Chief Municipal Officer of Municipality and include any Government servants in foreign service under the Municipalities but does not include the elected/ nominated persons;
- 1.(4.76) **“entertainment”** shall have the same meaning as defined under the Haryana Municipal Entertainment Duty Act, 2019(30 of 2019);
- 1.(4.77) **“executive engineer”** means an engineer appointed as such by the State Government;
- 1.(4.78) **“expenses”** means a cost relating to the operations of an accounting period or to the revenue earned during the period or the benefits of which do not extend beyond that period;
- 1.(4.79) **“finance commission”** means the Finance Commission constituted by the State Government under articles 243 I and 243 Y of the Constitution of India;
- 1.(4.80) **“financial statement”** means the annual accounting reports prepared under the fund based double-entry accrual accounting system that contains a balance sheet, income, and expenditure statement, cash flow statement, often a receipts and payments statement or any other supporting statement or other presentation of financial data derived from accounting records;
- 1.(4.81) **“finished goods”** means the goods held for sale in the ordinary course of business.;
- 1.(4.82) **“fixed assets”** means an asset held to provide services and which is not held for resale in the normal course of operations of the Municipality;
- 1.(4.83) **“fixed deposit”** means a deposit for a specified period and at a specified rate of interest;
- 1.(4.84) **“folio reference”** means a page number or voucher or another number in a book or document of original or final entry, which refers to the disposition or source of entry or posting;
- 1.(4.85) **“form”** means form prescribed in this Haryana Municipal Account Code 2025 or any other forms prescribed with the approval of Local Audit Department, Haryana;
- 1.(4.86) **“fund”** means the Municipal Fund of Corporation constituted under the Haryana Municipal Corporation Act, 1994 (16 of 1994) or all the Municipal fund of Councils and Committee constituted under the Haryana Municipal Act 1973 (24 of 1973) or a separate fund created for an activity for which separate Books of Accounts and Financial Statements are required to be prepared, as per orders of the State Government;
- 1.(4.87) **“goods”** means every kind of moveable property and includes stock and shares, growing crops, grass, and things attached to or forming part of the land, which is agreed to be severed before sale or under the contract of sale. Actionable claims and money are not included in the definition of goods;
- 1.(4.88) **“goods and service tax”** shall have the same meaning as defined in article 366 (12A) of the Constitution of India;
- 1.(4.89) **“government”** means the Government of the State of Haryana
- 1.(4.90) **“grant”** means the assistance by the State Government or Central Government or any organization, authority in cash or kind to a Municipality for past or future compliance with certain conditions excluding those forms of government assistance which cannot reasonably have a value placed upon them and transactions with the government which cannot be distinguished from the normal transactions of the Municipality;

- 1.(4.91) **“gross block”** means the total cost of acquisition/purchase of all the fixed assets of the Municipality;
- 1.(4.92) **“head of the department”** means the office of Director General/ Director Urban Local Bodies Haryana;
- 1.(4.93) **“hire purchase agreement”** means a contract in which a person hires goods for a specified period and at a fixed rent, with the added condition that if he shall retain the goods for the full period and pay all the instalments of rent as they become due the contract shall determine and the title vest absolutely in him;
- 1.(4.94) **“ICAI”** means the Institute of Chartered Accountants of India;
- 1.(4.95) **“immovable property”** means land, benefits arising out of land and things attached to the earth, or permanently fastened to anything attached to the earth;
- 1.(4.96) **“income”** means the money or money equivalent earned or accrued during an accounting period, increasing the total of previously existing net assets, and arising from the provision of any type of services, constitution power, statutory levies, and rentals. Income includes not only the amount received or receipts but also the amount receivable under the accrual accounting system;
- 1.(4.97) **“income and expenditure statement”** means a financial statement, prepared by the Municipalities, to present their revenues and expenses for an accounting period and to show the excess of revenues over expenses or vice-versa for that period. It is similar to the profit and loss statement and is also called a revenue and expense statement;
- 1.(4.98) **“interest”** means the service charge for the use of money or capital, paid at agreed intervals by the user, and commonly expressed as an annual percentage of the outstanding principal;
- 1.(4.99) **“investments”** means assets held not for operational purposes or rendering services, i.e., assets other than fixed assets or current assets (e.g., Securities, shares, debentures, immovable properties);
- 1.(4.100) **“inter unit transaction”** means the transactions between one or more accounting units of the Urban Local bodies;
- 1.(4.101) **“infrastructure assets”** means those assets with the characteristics of being, a part of a system or network, specialized in nature and did not have alternative uses, immovable, and subject to constraints on disposal;
- 1.(4.102) **“journal book”** means a book of original entry in which transactions are recorded not provided for in specialized journals;
- 1.(4.103) **“joint venture”** means a contractual arrangement whereby two or more parties undertake an economic activity to share expertise in a single defined project which is subject to joint control;
- 1.(4.104) **“lapsed deposits”** means the deposits unclaimed for more than such period or periods as defined in the act or provisions governing the Municipalities;
- 1.(4.105) **“lease”** means an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments, the right to use an asset for an agreed period. A lease agreement also includes a Hire Purchase agreement. A lease is classified as a finance lease if it transfers substantially the entire risks and rewards incident to ownership and other leases are classified as operating leases;
- 1.(4.106) **“ledger”** means a compilation of all accounts used for accounting purposes;
- 1.(4.107) **“liability”** means an amount owing by the Municipality to another person, payable in money, or goods or services: the consequence of an asset or service received or a loss incurred or accrued; particularly, any debt-
- (a) due or past due (current liability)
- OR
- (b) due at a specified time in future (e.g. funded debt, accrued liability)
- OR
- (c) due only on failure to perform a future act (contingent liability)
- 1.(4.108) **“long term investment”** means any investment falling outside the ambit of current investments;
- 1.(4.109) **“minimum balance”** means a sum equal to one month salary and wages to be declared by the competent authority, as the case may be, in the beginning of each financial year;
- 1.(4.110) **“mortgage”** means a lien on the land, buildings, machinery, equipment, and other property, fixed or moveable, given by a borrower to the lender as security for his loan;
- 1.(4.111) **“movable property”** means properties other than immovable properties;
- 1.(4.112) **“municipal engineer”** means an engineer appointed as such by the Government of Haryana;

- 1.(4.113) **“municipality”** shall have the same meaning as defined in the Haryana Municipal Act 1973 (24 of 1973) or article 243Q in the Constitution of India, which may be a Municipal Committee or a Municipal Council or a Municipal Corporation;
- 1.(4.114) **“national municipal accounts manual”** means the Manual issued by the Ministry of Housing and Urban Affairs, Government of India;
- 1.(4.115) **“narration”** means a brief description written below an accounting entry. It is normally written in brackets and starts with the word “Being.” It explains as to why the entry has been recorded and other related aspects of the entry;
- 1.(4.116) **“net assets”** means the excess of the book value of the assets of an accounting unit over its liabilities due to the outsiders;
- 1.(4.117) **“net block”** means a gross block less accumulated depreciation of all the fixed assets of the Municipality;
- 1.(4.118) **“payments”** means amounts actually paid and accounted during the year;
- 1.(4.119) **“period end”** means the last day of any accounting period, e.g., quarter, half-year and year-end;
- 1.(4.120) **“pooling of interest method”** means a method of accounting for amalgamations the object of which is to account for the amalgamation as if the separate operations of the amalgamating entities were intended to be continued by the transferee entity. Accordingly, only minimal changes are made in aggregating the individual financial statements of the amalgamating entities;
- 1.(4.121) **“posting”** means an act of entering separately the debit and credit aspect of transactions from the books of original entry in respective accounts maintained in the ledger;
- 1.(4.122) **“prepaid expense”** means a payment for the expense in an accounting period the benefit for which shall accrue in the subsequent accounting period(s);
- 1.(4.123) **“provision of expense”** means an amount written off or retained by way of providing for depreciation or diminution in value of assets or retained by way of providing for any known liability the amount of which cannot be determined with substantial accuracy;
- 1.(4.124) **“provision for unrealized revenue”** means a provision made for revenue considered doubtful of recovery;
- 1.(4.125) **“public servant”** means every elected member/ nominated person and employee of the Municipality and shall be deemed to a public servant within the meaning of section 2(28) of the Bhartiya Nyaya Sanhita, 2023 (Central Act 45 of 2023);
- 1.(4.126) **“qualifying fixed asset”** means an asset that necessarily takes a substantial period to get ready for its intended use or sale. Ordinarily, a period of twelve months is considered as a substantial period unless facts and circumstances of the case may justify a shorter or longer period. In estimating the period, the time which an asset takes, technologically and commercially, to get it ready for its intended use or sale shall be considered;
- 1.(4.127) **“receipt”** means amounts received and accounted during the period under consideration;
- 1.(4.128) **“receipts and payments statement”** means a financial statement prepared for an accounting period to depict the changes in the financial position and to present the cash received in and paid out in whatever form (cash, cheque, etc.) Under certain headings all non-cash and non-cheque related transactions are ignored while preparing this statement;
- 1.(4.129) **“reconciliation”** means adjusting the difference between the two items (i.e., Amounts, balances, accounts or statements) so that the figures agree;
- 1.(4.130) **“report of the director, local audit”** means the audit report submitted by the Director, Local Audit (Audit Report) on the financial statements, books of accounts and transactions of the Municipality;
- 1.(4.131) **“revenue expenditure”** means outlay benefiting only the current year. It is treated as an expense to be matched against revenue;
- 1.(4.132) **“secretary”** means the Secretary of the Municipality appointed as such by the State Government and/or competent authority;
- 1.(4.133) **“short term investments”** means those investments which are readily realizable, and are intended to be held for not more than twelve months from the date of investment;
- 1.(4.134) **“sinking fund”** means a fund created for the repayment of liability or for the replacement of an asset;
- 1.(4.135) **“Special Fund”** means an amount set aside for a specific purpose represented by specifically earmarked assets;

- 1.(4.136) **“straight line method (SLM)”** means the method under which the periodic charge for depreciation is computed by dividing the depreciable amount of a depreciable asset by the estimated number of years of its useful life;
- 1.(4.137) **“sub account”** means one or more accounts that make up the Control Account. These sub-accounts are related to the control account and provide more detail of the Control Account. The total of the related sub-accounts will equal the related Control Account;
- 1.(4.138) **“surplus”** means the excess of income over expenditure of the Municipality for an accounting period under consideration;
- 1.(4.139) **“superintending engineer”** means an engineer appointed as such by the State Government;
- 1.(4.140) **“treasury”** means a Government treasury or sub treasury or a nationalized bank or any bank approved by the Government of Haryana in the behalf;
- 1.(4.141) **“treasury officer”** means the officer in charge of a treasury and includes a banker or person acting as a banker with whom the municipal fund is deposited under the provisions of section 59 of the Haryana Municipal Act 1973 (24 of 1973) and the provisions of section 73 of the Haryana Municipal Corporation Act 1994 (16 of 1994);
- 1.(4.142) **“trial balance”** means a list or abstract of the balances or total debits and total credits of the accounts in a ledger, the purpose being to determine the equality of posted debits and credits and to establish a basic summary needed to prepare financial statements;
- 1.(4.143) **“useful life”** means the period over which a depreciable asset is expected to be used by the Municipality or the number of production or similar units expected to be obtained from the use of the asset by the Municipality;
- 1.(4.144) **“voucher”** means a document which serves as an authorization for any financial transaction and forms the basis for recording the accounting entry for the transaction in the books of original entry, e.g., cash receipt/payment voucher, bank receipt/payment voucher, and voucher;
- 1.(4.145) **“work in progress”** means the process of production of goods for their sales or usage;
- 1.(4.146) **“Written Down Value (WDV)”** means the cost of acquisition or substituted value less accumulated depreciation in respect of a fixed asset;
- 1.(4.147) **“written down value method”** means a method under which the periodic charge for depreciation of an asset is computed by applying a fixed percentage to its historical cost or substituted amount less accumulated depreciation (net book value). This is also referred to as “Diminishing Balance Method”;
- 1.(4.148) **“zonal taxation officer”** means a person appointed as such by State Government responsible for the assessment of all type of taxes levied/to be paid by a corporation such as goods and service tax, house tax, Water Charge, and property tax, rent and advertisement, etc;
- 1.5 **Undefined Words:** Words or expressions used but not defined in this Code shall have the meaning as assigned to them in the Act;
- 1.6 **Working Day:** Wherever in this Accounts Code, any actor proceeding is directed or allowed to be done or taken on a certain day, then, if the office is closed on that day, the actor proceeding shall be considered as done or taken in due time, if it is done or taken on the next day on which the office is open.
- 1.7 **Powers:** The powers conferred by this Code may be exercised by the Chief Municipal Officer or District Municipal Commissioner or their representative duly authorised by them as the case may be.
- 1.8 **Remedy for unspecified details:** In the matter of details connected with accounts not provided for in this Code, the Municipality shall comply with the instructions of the Urban Local Bodies Department and the Director, Local Audit, Haryana:
 Provided that all receipt books, tehbazari and slaughter house tickets, license forms, tax receipt forms, cattle pound, and cattle fair receipt books shall be kept in the personal custody of the Secretary/ Superintendent/ Accountant /Head Clerk. The printed number(s) shall be noted in the stock book of forms. The number of books or forms issued at one time shall not exceed what is required for immediate use, and no fresh issue shall be made until completed books have been returned or otherwise accounted for. Municipality shall maintain all such receipt and records on e-receipt or electronics format as well.
 - (a) figure in the accounts shall be in English characters and the case of receipt given for money, in vernacular characters also, and in all accounts and registers in the case of Municipalities of the first class so far possible be kept in English throughout.
 - (b) books of accounts, forms, and registers shall be substantially bound and paged before being brought into use.
 - (c) no eraser shall be made in any accounts books register form, voucher or cheque and if any correction has to be made, it shall be made neatly in red ink and attested by the dated initials of

the head of the department or officer concerned, or, in the case of a cheque by the signature of the officer, signing the cheque and in the case of voucher, by the payee also.

- (d) receipt/records and registers maintained on computerized system shall fulfill all compliances related to maintenance and preservice of record.
- (e) The maintenance and upkeep of accounts/ records is the responsibility of the concerned/ authorized official of the Municipality. Head of respective branch/department has to ensure that it is complying with the provisions of the Act regarding maintenance and safeguarding of account/voucher/record.

1.9 No forms other than those prescribed in this Code shall be used by the Municipality except with the approval of the Director, Local Audit, Haryana. However, the summon register shall be maintained by the Municipality in the form given in the Part-II of this Code. The books of account and other relevant books, records, forms, and papers required under this Code may be maintained in electronic mode unless otherwise required or specified by any other applicable provisions of any Act.

1.10 The records shall not be weeded or destroyed other wise than under the provisions of the Haryana Municipal (Destruction of Records) Rules, 1976 or instructions issued by the state Government from time to time.

CHAPTER-2

SIGNIFICANT ACCOUNTING PRINCIPLES**2.1 Introduction to Accounting Policies and Principles**

- (a) Accounting Policies are defined as “the specific accounting principles and the methods of applying those principles adopted by the organization in the preparation and presentation of financial statements”.
- (b) This chapter contains a compilation of the significant accounting policies to be followed in the preparation of the accounts of Municipalities in Haryana. These accounting policies have been prepared considering Government Accounting Standards Board (GASB), pronouncements, the various relevant Accounting Standard of the Institute of Chartered Accountants of India (ICAI), accounting standards for Local Bodies of the Institute of Chartered Accountants of India (ICAI), the technical guide on Accounting and Financial Reporting by Urban Local Bodies issued by the ICAI and Comptroller and Auditor General’s report on Urban Local Bodies.
- (c) The Financial Statements of the Municipality shall contain a Statement of significant accounting policies as notes to accounts in respect of important Accounting Policies adopted in preparing and presenting such information. The significant accounting policies as mentioned in this chapter shall be followed each year consistently.
- (d) Where any of the Accounting Policies adopted by the Municipality while preparing its Financial Statements is not in conformity with the policies prescribed in this chapter and the effect of deviation from the Accounting Policies is material, the particulars of the deviation shall be disclosed, together with the reasons and the financial effect thereof, except where such effect is not ascertainable. In case the financial effect thereof is not ascertainable, either wholly or in part, the fact that it is not so ascertainable shall be indicated. Using of any Accounting policies not provided in the code must be used only after the approval as per Para 1.9 of this Code.
- (e) Likewise, any change in the Accounting Policies which has no material effect on the Financial Statements for the current period, but which is reasonably expected to have a material effect in later periods, the fact of such change shall be appropriately disclosed in the Financial Statements of the period in which the change is adopted.
- (f) The Accounting Policies shall be uniformly followed across all ‘Funds’. In case the Accounting Policies for municipalities in Haryana are silent on certain aspects, the Accounting Policies recommended in the National Municipal Accounts Manual shall apply.
- (g) The following Accounting Policies shall govern the recording, accounting, and treatment of transactions relating to various activities as given below. While the Accounting Policies, in principle, apply to all municipalities in Haryana, their applicability shall depend on the specific nature and materiality of activities performed by the individual Municipality.
- (h) The following accounting principles shall govern the recording, accounting and treatment of transactions relating to various activities.

2.2 Accounting Principles for Property and Other Taxes

- (a) Revenue in respect of property and other taxes shall be recognized in the period in which they become due, and demands are ascertainable.
- (b) In case of new or changes in assessments, it shall be accrued in the month in which the demand is served;
- (c) Collections to be made on behalf of Government and included in the Property tax demand shall be reckoned together with Property tax demand and credited to a control account called “State Government Levies in Taxes- Control Account;
- (d) The liability towards dues to the Government for collections on its behalf shall be recognized as and when they are collected;
- (e) Interest element and penalties, if any, in demand shall be reckoned only on receipt;
- (f) Revenue in respect of Notice Fee, Warrant Fee and Other Fees charged shall be recognized when the bills for the same are raised.
- (g) Revenue in respect of property transfer charges shall be recognized on actual receipt;
- (h) Revenue in respect of rebate from State Government for collection made on their behalf shall be recognized at the rates prescribed by the State Government at the time of creating the liability payable to the State Government;

- (i) In respect of the demand outstanding beyond two (2) years, provision shall be made to the extent of income of the Municipality in demand based on the following provisioning norms. These provisions will be created exclusively for the accounting purposes. Provisions made against tax and non-tax revenue will not affect the opening/closing balances of the Demand and Collection register. The municipality shall not decrease its efforts in collection of arrears. It shall apply to all type of provision, creation, wherever mentioned in this Code:-
- Outstanding for more than 2 years but not exceeding 3 years: 25%
 - Outstanding for more than 3 years but not exceeding 4 years: 50% (additional 25%)
 - Outstanding for more than 4 years but not exceeding 5 years: 75% (additional 25%)
 - Outstanding for more than 5 years : 100% (additional 25%)
- (j) While making provision for receivables as stated above, the relevant proportion of State Govt. Cesses/levies in Property Taxes- Control account' shall also be provided by debiting the same to a separate account;
- (k) Any additional provision for demand outstanding (net on overall basis) required to be made during the year shall be recognized as expenditure and any excess provision written back during the year shall be recognized as income of the municipality;
- (l) Refunds made and remissions of taxes for the current year shall be adjusted against the income and if pertains to previous years, then it shall be treated as prior period item;
- (m) Write-offs of taxes shall be adjusted against the provisions made and to that extent, if deemed fit by the Government; recoverable (s) gets reduced. Any subsequent collection or recovery of Receivables for Property and Other Taxes," which was already written off shall be recognized as a 'Prior Period Income';
- (n) Demands raised with retrospective effect shall be treated as prior period income to the extent it pertains to earlier years;
- (o) Part-payments received in respect of Property and Other Tax levies shall be adjusted as per applicable Act of the State;
- (p) Wherever self-assessment of taxes is prevalent, income shall be accrued based on records available with the local body when it becomes due as per the provisions of the Haryana Municipal Acts. Further, changes arising out of self-assessment shall be treated as 'Change in Demand' and shall be accounted for accordingly.

2.3 Accounting Principles for Permission Fee

- (a) Income from **Permission Fee** shall be determined based on the provisions of the **Haryana Municipal Advertisement Bye-Laws, 2022 as amended from time to time.**
- (b) Advertisement income and devices has been categorized in following category:-
- Large-Format advertisement, mainly fixed on billboards/unipoles and bridges and flyover panel.
 - Advertisement mounted in public amenities like public toilets, garbage collection point etc.
 - Fleet and transport related infrastructure
 - Advertisement devices for self-advertising in commercial areas;
- (c) Permission fee shall be collected on advance on annual basis and shall be recognized in the period in which they become due and demands are ascertainable;
- (d) Permission Fee, in case auctioned to external agencies, shall be recognized as per the terms of agreement;
- (e) Expenses regarding removal of any unauthorized advertisement or hoardings shall be recovered from the concerned parties and are recognized on actual receipt;

2.4 Accounting principles for Cess

- (a) Revenue in respect of collection of cess income with returns (on filing of returns by the dealers) shall be recognized on actual receipt;
- (b) Revenue in respect of cess income on assessment shall be recognized in the period in which they become due, i.e. when the demand is raised;
- (c) Revenue in respect of collection charges on cess, registration fee, interest and penalties levied on assessment shall be recognized on actual receipt;
- (d) In respect of the demand outstanding beyond two (2) years, provision shall be made to the extent of income of the Municipality in the demand, based on the following provisioning norms:

- Outstanding for more than 2 years but not exceeding 3 years 50%
- Outstanding for more than 3 years 100% (Additional 50%)
- (e) Any additional provision for demand outstanding (net on overall basis) required to be made during the year shall be recognized as expenditure and any excess provision written back during the year shall be recognized as income of the Municipality;
- (f) Refunds made and remissions of Cess for the current year shall be adjusted against the income and if it pertains to previous years, then it shall be treated as prior period item;
- (g) Write-offs of Cess shall be adjusted against the provisions made and to that extent, recoverable(s) gets reduced;
- (h) Any subsequent collection or recovery of 'Receivables of Collection charges on CessIncome' which were already written off shall be recognized as a 'Prior Period Income';
- (i) Demands raised with retrospective effect shall be treated as prior period income to the extent it pertains to earlier years;

2.5 Accounting Principles for Water Supply

- (a) Revenue in respect of Water Charge, Water Benefit Tax, Water Supply Charges, Water Meter Rent, Sewerage charge and Disposal charges shall be recognized in the period in which they become due, i.e., when the bills are raised. It is to be noted that the Water Charges and other related taxes may also be included in the bill raised for the property tax.
- (b) Revenue in respect of Notice fee, Warrant fee, other fees shall be recognized when the bills for the same are raised;
- (c) Revenue in respect of Connection Charges for Water Supply shall be recognized on actual receipt;
- (d) Revenue in respect of Water Tanker Charges and Road Damage Recovery Charges and penalties shall be recognized on actual receipt;
- (e) In respect of the demand outstanding beyond two (2) years, provision shall be made to the extent of income of the Municipality in the demand. If Water Charges is collected as a component in Property Tax, provisioning shall be made in the same way as un-realized Property Tax, which is as follows:-
 - Outstanding for more than 2 years but not exceeding 3 years 25%
 - Outstanding for more than 3 years but not exceeding 4 years 50% (Additional 25%)
 - Outstanding for more than 4 years but not exceeding 5 years 75% (Additional 25%)
 - Outstanding for more than 5 years 100% (Additional 25%)

If Water Charges demand is raised separately, the taxes and charges shall be provided for as follows:

- Outstanding for more than 2 years but not exceeding 3 years 50%
- Outstanding for more than 3 years 100% (Additional 50%)

Any additional provision for demand outstanding (net on overall basis) required to be made during the year shall be recognized as expenditure and any excess provision written back during the year shall be recognized as income of the municipality;

- (f) Refunds made and remissions of taxes for the current year shall be adjusted against the income and if it pertains to previous years, then it shall be treated as prior period item;
- (g) Write-offs of taxes shall be adjusted against the provisions made and to that extent; recoverable(s) gets reduced;
- (h) Any subsequent collection or recovery of Receivables of Water Supply Income' which are already written off, shall be recognized as a 'Prior Period Income';

2.6 Accounting principles for assigned revenues

- (a) Assigned revenues like Entertainment Tax and Duty/ Surcharge on transfer of Immovable properties shall be accounted during the year only upon actual collection. However, at year-end alone, these shall be treated as accrued if sanction order (or proceedings) is passed and the amount is ascertained.
- (b) Based on the review of recoverable position of the 'Receivables of Assigned Revenues', the amount of outstanding assigned revenues to be provided or written off shall be ascertained and accounted accordingly on obtaining the relevant approval.

2.7 Accounting principles for Rentals, Fees and Other Sources of income

- (a) Revenue in respect of Advertisement rights shall be accrued either based on demand or based on the contract.
- (b) Revenue in respect of Trade License Fees shall be treated as accrued in the year to which it pertains and where the demand is raised based on applicable Acts of the State.
- (c) Revenues in respect of Profession Tax on Organizations /entities shall be treated as accrued in the year to which it pertains and where the demand is raised based on applicable Acts of the State.
- (d) Revenues in respect of rents from properties shall be treated as accrued based on terms of the agreement.
- (e) Other income, in respect of which demand is ascertainable and may be raised in regular course of operations of the Municipality, shall be recognized in the period in which they become due, i.e., when the bills are raised.
- (f) The other incomes, which are of an uncertain nature or for which the amount is not ascertainable or where demand is not raised in regular course of operations of the Municipality, shall be recognized on actual receipt.
- (g) Revenue in respect of notice fee, warrant fee, other fees etc. shall be recognized when the bills for the same are raised.
- (h) Interest element and penalties, if any, in demand shall be reckoned only on receipt.
- (i) In respect of the demand outstanding beyond two (2) years, provision shall be made to the extent of income of Municipality in the demand, based on the following provisioning norms:-

➤ Outstanding for more than 2 years but not exceeding 3 years	50%
➤ Outstanding for more than 3 years	100%
	(Additional 50%)
- (j) Any additional provision for demand outstanding required to be made during the year shall be recognized as expenditure and any excess provision written back during the year shall be recognized as income of the Municipality.
- (k) Refunds made and remissions of other incomes for the current year shall be adjusted against the income and if it pertains to previous years, then it shall be treated as prior period item.
- (l) Write-offs of other incomes shall be adjusted against the provisions made and to that extent, recoverable (s) get reduced.
- (m) Any subsequent collection or recovery of receivables of rental, fees and other incomes' which were already written off in earlier year shall be recognized as a 'prior period income'.

2.8 Accounting principles for Public Works/ Municipal Works

- (a) The cost of fixed assets shall include cost incurred / money spent in acquiring or installing or constructing fixed asset, interest on borrowings attributable to acquisition or construction of qualifying fixed assets upto the date of commissioning of the assets and other incidental expenses incurred up to that date;
- (b) Any addition to or improvement to the fixed asset that results in increasing the utility or capacity or useful life of the asset shall be capitalized and included in the cost of asset. Revenue expenditure in the nature of repairs and maintenance incurred to maintain the asset and sustain its functioning or the benefit of which is for less than a year, shall be charged off;
- (c) Assets under erection/installation on existing projects and capital expenditures on new projects (including advances for capital works and project stores) shall be shown as "Capital Work-In-Progress". The earnest money deposit and security deposit received, if forfeited, shall be recognized as income when the right for claiming refund of deposit has expired;

- (d) Deposit received under deposit works shall be treated as a liability till such time the projects for which money is received is completed. Upon completion of the projects, the cost incurred against it shall be reduced from the liability;
- (e) Revenues (percentage charges) in respect of deposit works shall be treated as accrued along-with expenditure of deposit works;

2.9 Accounting principles for stores

- (a) Expenditure in respect of material, equipment, etc., procured shall be recognized on accrual basis, i.e., on admission of bill by the Municipality in relation to materials, equipment, etc., delivered;
- (b) Accounting of 'goods received and accepted but no bills received' as at the cutoff date shall be accounted for based on purchase orders;
- (c) The stock lying at the period-end shall be valued at cost in accordance with the first in-first out (FIFO) method;
- (d) Revenue in respect of disposal of material shall be recognized on actual receipt;
- (e) Finished goods and work-in progress related to production produced for sale shall be valued at cost. Cost of finished and work-in-progress includes all direct costs and applicable production over heads to bring the goods to the present location and condition;

2.10 Accounting Principles for Employee Related Transactions

- (a) Expenses on Salaries and other allowances shall be recognized as and when they are due for payment (i.e. on first working day of next month);
- (b) Statutory deductions from salaries including those for income tax, profession tax, provident fund contribution, etc., shall be recognized as liability in the same period in which the corresponding salary is recognized as an expense;
- (c) Provident Funds money shall be invested as per the guidelines applicable to any Employee Provident Fund;
- (d) Separate Funds may also be formed for meeting the pension and other retirement benefits including Gratuity and Leave encashment. State Government shall decide on this and define the modus-operandi also. State may form trusts either at the State level or at the Municipal level;
- (e) Contribution due towards pension and other retirement benefit funds shall be recognized as an expense and also as a liability;
- (f) Interest receivable on loans given to employees shall be recognized as revenue at the end of the period in which these have accrued;
- (g) In respect of loans to employees, penal interest leviable on default in repayment of principal or payment towards interest shall be recognized on accrual basis;
- (h) Bonus, ex-gratia, over time allowance, other allowances and reimbursements to the employees shall be recognized as an expense as and when they are due for payment;

2.11 Accounting principles for health and sanitation

- (a) Revenue in respect of the following shall be recognized on actual receipt: -
 - Hospital fees, maternity homes fees, diagnostic center fees and dispensaries fees.
 - Hospital training fees.
 - Rent and/or hire charges in respect of ambulance suction unit, meat van and road roller etc.
 - Sale of fertilizers and waste, sale of animals and sale of scrap.
- (b) Revenue in respect of Trade License Fees shall be treated as accrued in the year to which it pertains and where the demand is raised based on applicable Acts of the State.
- (c) Revenue in respect of rent of equipment provided to the contractors, deducted from their bills, shall be recognized as and when the deductions are made.
- (d) All revenue expenditures incurred shall be recognized on admission of the bills for payment by the Municipality.
- (e) Provision shall be made at the year-end for all bills received.

2.12 Accounting principles for other revenue expenditures

- (a) Other revenue expenditures shall be treated as expenditures in the period in which they are incurred;

- (b) Provisions shall be made at the year-end for all bills received up-to a cut off date;
- (c) Any expenditure for which the payment has been made in the current period but the benefit and/or service is likely to arise in a future period shall be treated as an expenditure for the period in which its benefit arises and/or services are received;
- (d) The expenditure for the current period shall include the proportionate value of the benefits and/or services arising in the current period even if the payment hereof has been made in the previous period.

2.13 Accounting principles for grants

- (a) General grants, which are of a revenue nature, shall be recognized as incomes on actual receipt.
- (b) Grants towards revenue expenditure, received prior to the incurrence of the expenditure, shall be treated as a liability till such time that the expenditure is incurred;
- (c) Grants received or receivable in respect of specific revenue expenditure shall be recognized as income in the accounting period in which the corresponding revenue expenditure is charged to the income and expenditure account;
- (d) Grants received towards capital expenditure shall be treated as a liability till such time that the fixed asset is constructed or acquired. On construction/acquisition of a fixed asset out of the grants so received, the extent of liability corresponding to the value of the asset so constructed/acquired shall stand reduced and the amount shall be treated as a capital receipt and shall be transferred from the respective specific grant account to the Capital Reserve;
- (e) Capital Grants received as a nodal agency or as implementing agency for an intended purpose, which does not, result in creation of assets with ownership rights for the Municipality shall be treated as a liability till such time it is used for the intended purpose. Upon utilization for the intended purpose, the extent of liability shall stand reduced with the value of such utilization and no further treatment, as a capital receipt shall be required;
- (f) Grants in the form of non-monetary assets (such as fixed assets given at a concessional rate) shall be accounted for on the basis of the acquisition cost. In case a non-monetary asset is received free of cost, it shall be recorded at a nominal value (e.g. Rupee One);
- (g) Income on investments made from 'Specific Grants received in advance' shall be recognized and credited to the Specific Grant, whenever accrued. Profit/loss, if any, arising on disposal of investments made from the 'Specific Grant received in advance' shall also be recognized and credited/debited to the Specific Grant.

2.14 Accounting principles for borrowings or loans received

- (a) Interest expenditure on loan shall be recognized on accrual basis.
- (b) Interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets shall be capitalized;
- (c) A provision shall be made for the interest accrued between the date of last payment of interest and the date of financial statements and shall be charged to the current period's Income and Expenditure Statement;
- (d) The expenses incurred while issuing debentures or Bonds (Issue Expenses) shall be deferred and amortized in equal instalments over a period of 5 years or the tenure of the loan whichever is earlier. In case, the debentures and bonds are prematurely redeemed, the amount of issue expenses outstanding during the year shall be written-off and charged to the Income and Expenditure Statement as expense of the year when this happens. However, all other expenses in respect of raising loans other than those considered, as issue expenses shall be expensed off in the year in which they are incurred;

2.15 Accounting principles for special funds

- (a) Special funds shall be treated as a liability on their creation;
- (b) Income on investments made from special fund shall be recognized and credited to special fund, whenever accrued. Profit/loss, if any, arising on disposal of investments made from the special fund shall be recognized and credited/debited to special fund account;
- (c) Any expenditure of a revenue nature, which is incurred specifically on scheme/project for which a special fund has been created, shall be charged to that special fund;
- (d) On completion of the construction of a fixed asset and/or on acquisition of a fixed asset out of a special fund, the amount equivalent to the cost of such fixed asset shall be transferred from the respective special fund to the special fund (utilized).

2.16 Accounting principles for investments

- (a) Investment shall be recognized at cost of investment. The cost of investment shall include cost incurred in acquiring investment and other incidental expenses incurred for its acquisition;
- (b) All long-term investments shall be carried /stated in the books of accounts at their cost. However, in the event of any permanent diminution in their value as on the date of balance sheet, these shall be provided for;
- (c) Short-term investments shall be carried/stated at their cost or market value (If quoted) whichever is lower;
- (d) Interest on investments shall be recognized as and when due. At period-ends, interest shall be treated as accrued proportionately;
- (e) Dividend on investments shall be recognized on actual receipt;
- (f) Profit/loss, if any, arising on disposal of investment (net of selling expense such as commission, brokerage, etc.) from the Municipal Fund shall be recognized in the year when such disposal takes place;
- (g) Income on investments made from special fund and grants under specific scheme shall be recognized and credited to special fund and grants under specific scheme respectively, whenever accrued. Profit/loss, if any, arising on disposal of investments (net of selling expense such as commission, brokerage, etc.) made from the special fund and grants under specific scheme shall be recognized and credited/debited to special fund account and grant under specific scheme account respectively. However, interest or gains from an investment made from grants received as reimbursements, shall be credited to Municipal/General fund of the Municipality instead of the grant account.

2.17 Accounting Principles for Fixed Assets

- (a) All fixed assets shall be carried at cost less accumulated depreciation. The cost of fixed assets shall include cost incurred/money spent in acquiring or installing or constructing fixed asset, interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets upto the date of commissioning of the assets and other incidental and indirect expenses incurred upto that month;
- (b) Any addition to or improvement to the fixed asset that results in increasing the utility or useful life of the asset shall be capitalized and included in the cost of fixed asset;
- (c) Any fixed asset, which has been acquired free of cost or in respect of which no payment has been made, shall be recorded at nominal value of ₹ 1/- or fair value of assets;
- (d) All assets costing less than ₹5,000 (Rupees Five thousands) shall be expensed/charged to Income and Expenditure Account in the year of purchase;
- (e) An increase in net book value arising on revaluation shall be credited to a reserve account under the municipal fund as 'Revaluation Reserve Account'. A decrease in net book value arising on revaluation of fixed assets is charged to Income and Expenditure accounts;
- (f) Revaluation of a class of assets shall not result in the net book value of that class being greater than the recoverable amount of the assets of that class;
- (g) Revaluation reserve shall be reduced by transfer of equivalent amount of depreciation charged on the revalued portion of the cost of the fixed assets;
- (h) Depreciation shall be provided at the rates prescribed by the State. Depreciation on all fixed assets is to be provided consistently on either written down value or straight-line method;
- (i) Depreciation shall be provided at full rates for assets, which are purchased/constructed/ obtained/acquired before October 1 of an accounting year. Depreciation shall be provided at half the rates for assets, which are purchased/constructed on or after October 1 of an accounting year;
- (j) Depreciation shall be provided at full rates for assets, which are disposed on or after October 1 of an accounting year. Depreciation shall be provided at half the rates for assets, which are disposed before October 1 of an accounting year;
- (k) Assets recorded in the register but not physically available shall be written off after a specified period as defined by the State/Municipal Act or rules governing the Municipality. The authority levels for the respective State/Municipal Act or Rule shall also define authorizing the write off.

2.18 Accounting principles for lease and hire purchase

- (a) **Finance lease in the books of lessee at the commencement of the lease term:** Finance leases shall be recorded as an asset and a liability. Such recognition shall be at an amount equal to the cost. Finance lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated as to produce a constant periodic rate of interest on the remaining balance of the liability for each of the period. Depreciation on such assets shall be provided at the same rates as in case of owned assets;
- (b) **Operating lease in the books of lessor**
Assets given under operating lease shall be accounted as own assets in the same manner similar to any other fixed assets owned and used by the Municipality. Lease income from operating leases shall be recognized as income on a straight-line basis over the lease term. Lease income shall be accrued on the respective due dates. Any amount incurred that results in improvement or increase of the useful life of the assets under operating lease shall be capitalized as like any other asset used by the Municipality for its own operations; Depreciation on such assets shall be provided at the same rates as in case of owned assets;
- (c) **Hire purchase in the books of buyer**
The purchase price shall be capitalized as the cost of fixed assets. Hire Purchase (HP) instalments shall be apportioned between the finance charge and the reduction of the principal outstanding. The finance charge shall be allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability; the total amount of interest portion out of the 'HP Payable' shall be accounted by debiting to a control account under current assets. This amount shall be adjusted on accounting of finance charges. The depreciation principle for assets purchased under HP shall be consistent with that for owned assets;
- (d) **Hire purchase in the books of seller**
The sale price (including the interest portion) shall be accounted as receivable from HP agreement; HP instalments shall be apportioned between the interest income and the reduction of the principal amount receivable (the finance income to be allocated so as to produce a constant periodic rate of interest on the remaining balance of the receivable). The total amount of interest portion out of the 'HP receivable' shall be accounted by crediting to a control account under current assets. This amount shall be adjusted while accounting for finance charges;

2.19 Accounting principles for loans

- (a) Interest/penal interest on loans shall be recognized as and when due. At period-ends, interest shall be accrued upto the date of the period-end;
- (b) Interest/penal interest earned on loans given out of specific fund/grant shall be directly credited to the specific fund/grant account;
- (c) Provision against bad and doubtful loans shall be made according to the provisioning principle of the Municipality based on norms or guidelines issued by the State Government in this regard.
- (d) Any additional provision for loans outstanding (net on overall basis) required to be made during the year shall be recognized as expenditure and any excess provision written back during the year shall be recognized as income of the municipality;
- (e) Write-offs of bad and doubtful loans shall be adjusted against the provisions made and to that extent, loan outstanding get reduced. In case of inadequate provisions, the write off shall be recognized as expenditure.

2.20 Accounting principles for addition/merger of local bodies for up-gradation

- (a) The financial statements of the merging local bodies shall be consolidated at the cut-off dates under the pooling of interest method. The assets, liabilities, reserves and fund balances of the merging local bodies are recorded at their existing carrying amounts. However, it must be ensured that accounting principles adopted for preparation of financial statements of merging local bodies shall be same.
- (b) The financial statements prepared on consolidation shall disclose-
- Names of the local bodies merged.
 - Authority under which the merger has taken place.
 - Effective date of merger.
 - Principles adopted for consolidation.

2.21 Accounting principles for Inter Unit Transactions

- (a) All inter unit transactions shall be recorded on cost basis and no mark up shall be included in inter unit transactions.
- (b) At the year-end, the inter-unit accounts are knocked off/adjusted in the consolidated accounts of the Municipality.

2.22 Accounting principles for municipal schools

- (a) Fees and fines received from primary/secondary schools shall be recognized on actual receipt;
- (b) Contribution receivable from other local bodies/ Municipalities/ Government shall be recognized in the period in which they become due.

2.23 Accounting principles for municipal transport

- (a) Revenue in respect of ticket charges and monthly passes shall be recognized on actual receipt;
- (b) Payments to be made by the Transport Undertaking to the Municipal Fund shall be accounted on actual payment.

CHAPTER-3**CHART OF ACCOUNTS****3.1 Meaning**

A Chart of Accounts (CoA) is a listing of all account heads. Each account is denoted by an account name and a reference number. The account name is known as the "account head", and the reference number is known as the "account code". The chart of accounts groups accounts of a similar nature into groups and sub-groups at different levels (major heads, minor heads and detailed heads with accompanying codes). The number of levels and the length of the account codes depend on the requirements of the organization. Chart of Accounts (CoA) defines the heads under which the transactions of local bodies are classified and facilitates maintenance of accounts and preparation of financial statements. A well-designed CoA shall not only fulfill accounting requirements but also the Budgeting and MIS requirements and shall be flexible enough to consolidate and collate to facilitate generation of various information reports.

3.2 Benefits of Chart of Accounts

The CoA is of great help to the accountant in identifying the appropriate account heads for passing an entry for a financial transaction. It also provides uniformity of accounting and reporting financial transactions. A common understanding and usage of the account heads facilitates not only a comparison over different time periods, but also comparison across different Municipalities.

3.3 Codification Logic and Structure

The codification structure proposed facilitates capture of all type of financial information within a Municipality, which are essential in a government set-up. Each type of classification is considered as a group. Considering the capacity and size of local bodies to which this Code pertains and the minimum requirements of various stakeholders' certain mandatory information's are prescribed. The mandatory groups for all local bodies are:

- Functions
- Account Heads

Functions shall represent the various functions or services carried out by the Municipality. Account Heads shall represent the nature of the income, expenditure, liability or asset. Budgets in Municipalities are centered on its functions. Functions are provided through various responsibility Centres called Branches. Geographical dispersion of these activities may also be monitored, more so in the context of Wards, Wards Committees and other decentralization measures. Municipalities shall identify its income and expenditure budgets at function, functionary and field level.

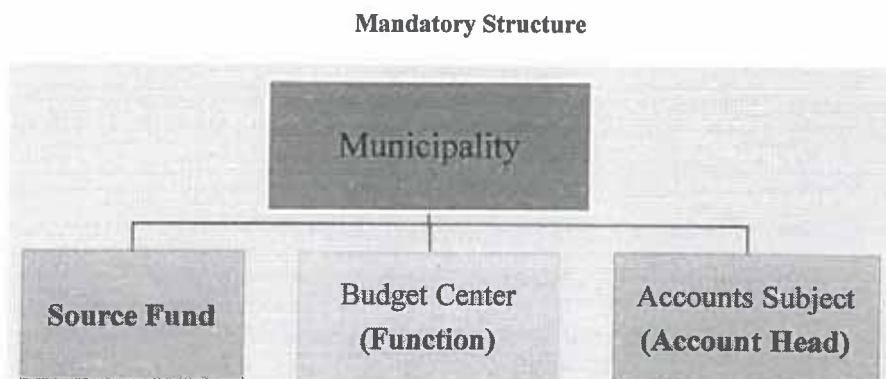
Funds set up for meeting of certain specific objectives shall be identified separate fund. Income and expenditure under these funds are to be identified and disclosed separately. However, the method of disclosure may be different. When they adopt the integral concept, separate books of accounts are not maintained for the funds. Identity is created by providing separate account heads to capture the income and expenditure for each such fund. In some Municipalities, separate books of accounts and financial statements are maintained considering it as a separate accounting entity. In such cases, the identity of the fund (entity) is required as an additional classification.

Thus, in addition, there shall be three other optional groups apart from the mandatory groups of Function and Account Head:-

- Functionality (Responsibility Centre/Branch)
- Field (Geographical Centre)
- Fund

In all, there may be five groups, Function, Account Head Functionary, Field and Fund. Function, Functionary and Field are called Budgeting centers. Each group may have various levels within it to drill down further information. The levels even in the mandatory groups may be either mandatory or optional, based on the requirements. First level in Function and Account Head are mandatory for all Municipalities and other levels will be decided by the States Government. It shall mean that all Municipalities shall have to use the Function Codes and Account Codes as defined in this Code only. Similarly, the Municipalities which have decentralized accounting zones/circles etc. and prepare budgets at these levels, shall have to use the field group as mandatory.

An overview of the suggested structure for mandatory information and overall structure is provided as below:



3.4 Components of Charts of Accounts

3.4.1 Functions of the Municipality may have three levels within it. First level under this group shall represent various functions both obligatory and discretionary. Second Level of functions shall represent the particular type of service under a function and third level shall represent a particular cost Centre, which provides the service. The first level of functions /codes is mandatory for all Municipalities. All functions of the Municipalities are broadly classified under ten major groups. Within this, long listing of functions has been made. These functions are fitted with in the group with each group having flexibility to go upto nine sub functions. The detailed codes for each of the functions as referred above is defined and given as Appendix 1 to this Code, which has been annexed to this chapter.

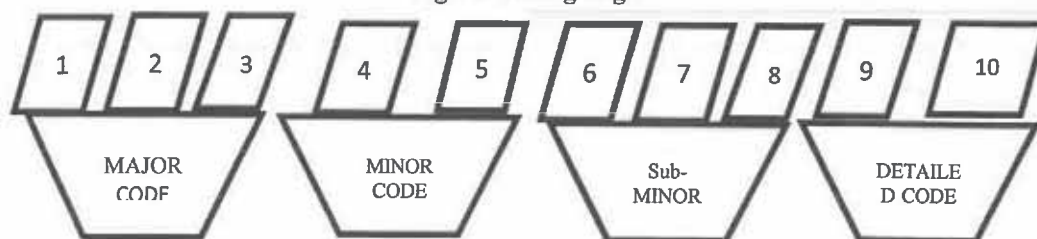
3.4.2 Accounting subjects shall be divided into two levels Primary and Secondary. Primary account code represents the subject of the income and expenditure.

(a) **Primary Account Codes:** The Code of an Account Head shall be numeric and shall be ten digits. A ten-digit code is suggested to give flexibility to add new codes and to define certain of its unique requirements. The code is structured into:

- (i) Major head code;
- (ii) Minor head code;
- (iii) Sub-Minor head code; and
- (iv) Detailed head code.

The combination of major, minor and detailed head codes is shown as below. As may be seen from the figure, the composite account code is a 10-digit combination of the major, minor and detailed codes.

Figure: Coding Logic



i. Major Head Code:

(a) The **First Digit** of the major head code shall indicate the nature or type of the account. The first digit shall be assigned one of the following numbers depending on the nature of the account:

- '1' shall denote an account relating to 'Revenue Income'
- '2' shall denote an account relating to 'Revenue Expenditure'
- '3' shall denote an account relating to 'Capital Receipts and Liabilities'.

➤ '4' shall denote an account relating to 'Capital Expenditure and Assets'.

(b) The next 2 digits of the major head code shall denote the group codes for the various head of accounts. For example :-

- Code 1-10 shall denote 'Tax Revenue' related accounts;
- Code 2-10 shall denote 'Establishment Expenses' related accounts;
- Code 3-50 shall denote 'Other Liabilities' related accounts;
- Code 4-10 shall denote 'Fixed Assets' related accounts.

It is to be noted that the financial statements of a Municipality are drawn at Major Head codes of account and hence this is a mandatory level of information. No major code addition is likely to happen, as this format is the final one. In case the same is required, it has to be approved by the Municipality at national level only.

ii. Minor Head Code:

- (1) The minor head code shall be of 2 digits. An item covered by a minor head code is a subset of the major head code. Thus, it shall be necessary to refer the minor head code in conjunction with the associated major head code.
- (2) The minor head code provides further details of transactions in respect of the major head code it is associated with. For example:
 - Under the major head code 110 relating to 'Tax Revenue', the minor head code 01 shall denote 'Property Tax'.
 - Under the major head code 210 relating to 'Establishment Expenses', the minor head code 10 shall denote "Salaries and Allowances".
 - Under the major head code 350 relating to 'Other Liabilities', the minor head code 10 shall denote 'Creditors'.
 - Under the major head code 410 relating to 'Fixed Assets', the minor head code 20 shall denote 'Buildings'.
- (3) The schedules to financial statements of a Municipality are drawn at minor head codes of account and hence this is a mandatory level of information. Minor codes provided in the code are mandatory. Additions to minor codes may be made by the State Government. In accordance with the provisions contained in para 3.9 (e) below **Minor Code**, a three-digit **Sub Minor Code above Detailed Head** has been inserted in Chart of Accounts.

iii. Sub-Minor Head Code

- (1) The sub-minor head code shall be of 3 digits. An item covered by a sub-minor head code is a subset of the minor head code. Thus, it shall be necessary to refer the sub-minor head code in conjunction with the associated minor head code.
- (2) The sub-minor head code provides further details of transactions in respect of the minor head code it is associated with.

iv. Detailed Head Code

- (1) The detailed head code shall be of 2 digits. An item covered by a detailed head code is a subset of the minor head code. Thus, it shall be necessary to refer the detailed head code in conjunction with the associated minor head code.
- (2) The detailed head code provides further details of transactions in respect of the minor head code it is associated with. For example,
 - (i) Under the minor head code of account 110-01 covering Property Tax, the detailed head code 01 shall denote 'Property Tax from Residential Properties'. Thus, under the minor head code of account 110-01 in respect of 'Tax Revenues from Property Tax', the detailed head code 01 shall represent 'Property Tax from Residential Properties'. The account code for this shall be 110-01-01.
 - (ii) Under the minor head code of account 210-10 covering 'Establishment Expenses under Salaries, Wages and Bonus, the detailed head code 01 shall denote 'Salaries and Allowances – Officers'.
 - (iii) Under the minor head code of account 350-10 covering Creditors, the detailed head code 01 shall denote 'Suppliers Control Accounts'.
 - (iv) Under the minor head code of Account 410-20 covering Buildings, the detailed head code 01 shall denote 'Office Buildings'.
- (3) The minor and detailed codes identified by the Department of Urban Local Bodies, Haryana. **Municipalities are allowed to add new minor codes with prior approval from State Government** and detailed heads may be added with the prior approval of Director, Urban Local Bodies, Haryana. A listing of minor and detailed codes under major code is listed in Appendix

2 to this Code.

(b) **Secondary Account Code:**

This is optional and shall depend on requirements of a municipality. These shall typically represent the subsidiary ledgers and other analysis ledgers. Hence, no codification structure has been proposed for the same.

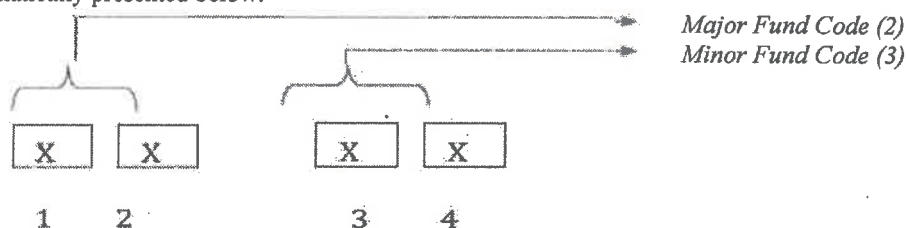
3.5 Funds

3.5.1 Depending on requirements, levels may be introduced. Funds may have sub-level within it. The codification structure for the funds may consist of the following:

- major fund; and
- minor fund.

3.5.2 Major Fund code shall represent the broad categorization of Funds and minor Fund within it represents a particular Fund.

3.5.3 The code of a fund shall be numeric and may be of 4 digits. The structure of the code for fund is schematically presented below:



For example, Employee funds may be a major fund and Pension fund may be minor fund within that.

3.6 Functionary

In the government set-up, demands for expenditure are drawn by the department discharging the functions and become the responsibility center for the assigned functions. Functionary group represents this. Each sub-level within this group typically shall represent the organizational structure within the Municipality. This level is used only for the internal control of the Municipality. It is, therefore, not proposed to prescribe any codification structure for the same.

3.7 Field

Field represents the way the Municipalities are aligned geographically. Sub-levels in this group shall be based on the territorial hierarchy. Number of digits at each level may range from 1-3 depending on the size of the local body. This is different from accounting unit as explained under the overview section of this chapter. Field represents the area to which the expenditure or payment relates. Location or accounting unit represents the unit at which it is accounted. This level is needed only for the internal control of the Municipality. It is, therefore, not proposed to prescribe any codification structure for the same.

3.8 Municipality Code

To facilitate State level aggregation, each Municipality shall be assigned a Code. This code shall represent the State to which it is attached and the unique Code assigned by the State. This shall be in the following format:

STATE – DISTRICT – CATEGORY – CODE

(Category shall represent the way Local Bodies are classified within the State e.g. Municipalities)

3.9 General Guidelines and Instructions for Usage of Chart of Accounts

The following guidelines shall be followed while using the chart of accounts:

- (a) Function codes, major and minor head codes given in the Code shall apply uniformly to all Urban Local Bodies.
- (b) The Codes may be changed after obtaining the necessary approval from the Urban Local Bodies, Haryana for each type of Code.
- (c) No major code addition is likely to happen as this format is more or less the final one. In case the same is required, it has to be approved by the national level committee only.
- (d) Municipalities shall identify the operative detailed heads, with the same description and code number for accounting purposes. These heads shall be commonly used in all the Municipalities within a State. Detailed heads unique to a particular Municipality shall also be added with the approval of the State Government.
- (e) Some Municipalities may have further break up in their activities requiring sub-heads at a level above Detailed Heads. Municipalities shall induct sub-heads under minor head and thereafter, detailed heads shall be suitably opened, with the approval of State Government.
- (f) The Accounts Branch shall maintain a master index of all the Code of Accounts being utilized by the

Municipal Body.

- (g) Ledger Accounts corresponding to the Accounting Codes need to be opened by a Municipality only in respect of those transactions which arise at that Municipality. Thus, all the Account Codes given in this report shall not be used by every Municipality.

3.10 Change Request Form

This Form shall be used by Municipalities for sending their requests to Urban Local Bodies Department or any other authority as may be authorized by Urban Local Bodies Department for any addition/ change in the accounting codes. A format of Change Request Form has been provided in Part-II of this Accounts Code.

3.11 Change Authorized Form

This form shall be used by the Urban Local Bodies Department, or any other authority as may be authorized by Urban Local Bodies Department, to authorize the change requested by Municipalities. Format of the same has been provided in the Part-II of this Accounts Code.

Chart of Accounts

(a) Function Codes				Appendix-1 (See 3.4.1)
Function Group	Function Group Code	Function Descriptions		
0	0	0	0	<i>General Administration</i>
0	0	0	1	Municipal Body (For ex-Mayor, President, Chief Municipal Officer etc.)
0	0	0	2	Administration (For ex. General Admin, Public Relation etc.)
0	0	0	3	Finance, Accounts, Audit
0	0	0	4	Election
0	0	0	5	Record Room
0	0	0	6	Estate
0	0	0	7	Stores and Purchase
0	0	0	8	Workshop
0	0	0	9	Census
1	0	0	0	<i>Planning and Regulations</i>
1	0	1	1	City and Town Planning
1	0	1	2	Building Regulation
1	0	1	3	Economic Planning
1	0	1	4	Encroachment Removal
1	0	1	5	Trade License/Regulations
2	0	0	0	<i>Public Works</i>
2	0	2	1	Roads and Pavement
2	0	2	2	Bridges and Flyovers
2	0	2	3	Subways and Causeways
2	0	2	4	Street Lighting
2	0	2	5	Storm water Drains
2	0	2	6	Traffic Signals
2	0	2	7	Guest Houses
3	0	0	0	<i>Health</i>
3	0	3	1	Public Health (For ex. Immunization, Polio)
3	0	3	2	Epidemic/Prevention Control (For ex. Malaria Control)
3	0	3	3	Family Planning
3	0	3	4	Primary Health Care
3	0	3	5	Hospital Services
3	0	3	6	Burial and Cremations
3	0	3	7	Vital Statistics
3	0	3	8	Prevention of Food Adulteration
3	0	3	9	Ambulance/Hearse Services
4	0	0	0	<i>Sanitation and Solid Waste Management</i>
4	0	4	1	Solid Waste Management
4	0	4	2	Public Convenience
4	0	4	3	Veterinary Services
4	0	4	4	Cattle Pounding
4	0	4	5	Slaughter Houses
5	0	0	0	<i>Civic Amenities</i>
5	0	5	1	Water Supply
5	0	5	2	Sewerage
5	0	5	3	Fire Services
5	0	5	4	Arts and Culture
5	0	5	5	Community/Marriage Centers
5	0	5	6	Amusement

5	0	5	7	Museums
5	0	5	8	Municipal Markets
6	0	0	0	<i>Urban Forestry</i>
6	0	6	1	Parks, Gardens
6	0	6	2	Play Grounds
6	0	6	3	Lakes and Ponds
6	0	6	4	Urban Forestry
6	0	6	5	Environment Conservation
6	0	6	6	Zoos
7	0	0	0	<i>Urban Poverty Alleviation and Social Welfare</i>
7	0	7	1	Welfare of Woman
7	0	7	2	Welfare of Children
7	0	7	3	Welfare of Aged
7	0	7	4	Welfare of Handicapped
7	0	7	5	Welfare of SC/ST/OBC
7	0	7	6	Slum Improvements
7	0	7	7	Housing
7	0	7	8	Urban Poverty Alleviation
7	0	7	9	Others
8	0	0	0	<i>Other Services</i>
8	0	8	1	Electricity
8	0	8	2	Education
8	0	8	3	Transportation
8	0	8	4	Facility for pilgrims
9	0	0	0	<i>Revenues</i>
9	0	9	1	Property Taxes
9	0	9	2	Octroi/Entry Cess
9	0	9	3	Permission Fee
9	0	9	4	Professional Tax
9	0	9	5	Tax on Animals
9	0	9	6	Tax on Vehicles
9	0	9	7	Toll
9	0	9	8	Other Taxes

(b) Primary Accounting Heads – Revenue Income**Appendix-2_(See 3.4.2 (A) (iv) (3))**

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	1	0	0	0	0	0	0	0	0	Tax Revenue
1	1	0	0	1	0	0	0	0	0	<i>Property Tax</i>
1	1	0	0	1	0	0	0	0	1	Property tax from Residential buildings
1	1	0	0	1	0	0	0	0	2	Property tax from Commercial buildings
1	1	0	0	1	0	0	0	0	3	Property tax on Vacant Land
1	1	0	0	1	0	0	0	0	4	Property tax on Institutional Building
1	1	0	0	1	0	0	0	0	5	Property tax on Religious Building
1	1	0	0	1	0	0	0	0	6	Property tax on State Government buildings
1	1	0	0	1	0	0	0	0	7	Service charges in Lieu of Property tax on Central government Buildings
1	1	0	0	1	0	0	0	0	8	Property tax on the Closed and Sick industries
1	1	0	0	1	0	0	0	0	9	Property tax on industries under litigation
1	1	0	0	1	0	0	0	1	0	Surcharge on Property tax
1	1	0	0	1	0	0	0	1	1	Interest on Property tax
1	1	0	0	3	0	0	0	0	0	<i>Sewerage tax</i>
1	1	0	0	3	0	0	0	0	1	Sewerage Tax
1	1	0	0	4	0	0	0	0	0	<i>Conservancy tax / Latrine tax</i>
1	1	0	0	4	0	0	0	0	1	Conservancy tax/ Latrine tax
1	1	0	0	5	0	0	0	0	0	<i>Lighting tax</i>
1	1	0	0	5	0	0	0	0	1	Lighting tax
1	1	0	0	6	0	0	0	0	0	<i>Education tax</i>
1	1	0	0	6	0	0	0	0	1	Education tax
1	1	0	0	7	0	0	0	0	0	<i>Vehicle tax</i>
1	1	0	0	7	0	0	0	0	1	Vehicle tax
1	1	0	0	8	0	0	0	0	0	<i>Tax on Animals</i>
1	1	0	0	8	0	0	0	0	1	Tax on Animals
1	1	0	0	9	0	0	0	0	0	<i>Electricity tax</i>
1	1	0	0	9	0	0	0	0	1	Electricity tax
1	1	0	1	0	0	0	0	0	0	<i>Professional tax</i>
1	1	0	1	0	0	0	0	0	1	Professional tax
1	1	0	1	2	0	0	0	0	0	<i>Pilgrimage tax</i>
1	1	0	1	2	0	0	0	0	1	Pilgrimage tax
1	1	0	1	3	0	0	0	0	0	<i>Show tax</i>
1	1	0	1	3	0	0	0	0	1	Show Tax
1	1	0	1	4	0	0	0	0	0	<i>Tax on Boat</i>
1	1	0	1	4	0	0	0	0	1	Tax on Boat
1	1	0	1	5	0	0	0	0	0	<i>Tax on Dogs</i>
1	1	0	1	5	0	0	0	0	1	Tax on Dogs
1	1	0	1	6	0	0	0	0	0	<i>Fire Tax</i>
1	1	0	1	6	0	0	0	0	1	Fire Tax (Presently not a part of the Municipal Receipt)
1	1	0	1	7	0	0	0	0	0	<i>Sanitation Tax</i>

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	1	0	1	7	0	0	0	0	1	Sanitation Tax
1	1	0	1	8	0	0	0	0	0	General Tax
1	1	0	1	8	0	0	0	0	1	General Tax
1	1	0	1	9	0	0	0	0	0	Development Tax
1	1	0	1	9	0	0	0	0	1	Development Tax
1	1	0	2	0	0	0	0	0	0	Duty on transfer of immovable property if not collected on assigned revenue basis
1	1	0	2	0	0	0	0	0	1	Duty on transfer of immovable property if not collected on assigned revenue
1	1	0	2	1	0	0	0	0	0	Tax on Driving Licensee
1	1	0	2	1	0	0	0	0	1	Tax on Driving Licensee
1	1	0	5	1	0	0	0	0	0	Octroi and toll
1	1	0	5	1	0	0	0	0	1	Octroi and toll
1	1	0	5	2	0	0	0	0	0	Charges on Collection of Cess
1	1	0	5	2	0	0	0	0	1	Education Cess
1	1	0	5	2	0	0	0	0	2	Employment Cess
1	1	0	5	2	0	0	0	0	3	Health Cess
1	1	0	8	0	0	0	0	0	0	Other Taxes
1	1	0	8	0	0	0	0	0	1	Tax on Carriage and Carts
1	1	0	8	0	0	0	0	0	2	Building tax
1	1	0	8	0	0	0	0	0	3	Drainage tax
1	1	0	8	0	0	0	0	0	4	Special sanitary tax
1	1	0	8	0	0	0	0	0	5	Cycle Tax
1	1	0	8	0	0	0	0	0	6	Terminal Tax
1	1	0	9	0	0	0	0	0	0	Tax Remissions and Refunds
1	1	0	9	0	0	0	1	0	0	Property Tax
1	1	0	9	0	0	0	1	0	1	Property tax from Residential buildings
1	1	0	9	0	0	0	1	0	2	Property tax from Commercial buildings
1	1	0	9	0	0	0	1	0	3	Property tax on Vacant Land
1	1	0	9	0	0	0	1	0	4	Property tax on Institutional Buildings
1	1	0	9	0	0	0	1	0	5	Property tax on Religious Buildings
1	1	0	9	0	0	0	1	0	6	Property tax on State Government buildings
1	1	0	9	0	0	0	1	0	7	Service charges in Lieu of Property tax on Central government Buildings
1	1	0	9	0	0	0	1	0	8	Property tax on the Closed and Sick industries
1	1	0	9	0	0	0	1	0	9	Property tax on industries under litigation
1	1	0	9	0	0	0	1	1	0	Surcharge on Property tax
1	1	0	9	0	0	0	1	1	1	Interest on Property tax
1	1	0	9	0	0	0	2	0	0	Other Revenues Tax Remissions and Refunds
1	1	0	9	0	0	0	2	0	1	Sewerage Tax
1	1	0	9	0	0	0	2	0	2	Conservancy Tax /Latrine Tax
1	1	0	9	0	0	0	2	0	3	Lighting tax
1	1	0	9	0	0	0	2	0	4	Education Tax
1	1	0	9	0	0	0	2	0	5	Vehicle Tax
1	1	0	9	0	0	0	2	0	6	Tax on Animals
1	1	0	9	0	0	0	2	0	7	Electricity Tax

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	1	0	9	0	0	0	2	0	8	Professional Tax
1	1	0	9	0	0	0	2	0	9	Pilgrimage Tax
1	1	0	9	0	0	0	2	1	0	Octroi and toll
1	1	0	9	0	0	0	2	1	1	Other Taxes
1	2	0	0	0	0	0	0	0	0	Assigned Revenues and Compensations
1	2	0	1	0	0	0	0	0	0	<i>Taxes and Duties Collected by others</i>
1	2	0	1	0	0	0	0	0	1	Stamp Duty Share
1	2	0	1	0	0	0	0	0	2	Motor/Vehicle Tax
1	2	0	1	0	0	0	0	0	3	Fee on Transfer of Property
1	2	0	1	0	0	0	0	0	4	Entertainment Tax
1	2	0	1	0	0	0	0	0	5	State Share of GST
1	2	0	1	0	0	0	0	0	6	Collection Charges of Cess on GST
1	2	0	1	0	0	0	0	0	7	Electricity Consumption Charges/User Charges
1	2	0	1	0	0	0	0	0	8	Other Taxes/Charges as recommended by Govt. from time to time
1	2	0	2	0	0	0	0	0	0	<i>Compensation in lieu of Taxes/Duties</i>
1	2	0	2	0	0	0	0	0	1	Compensation in lieu of Octroi
1	2	0	2	0	0	0	0	0	2	Compensation in lieu of Electricity
1	2	0	3	0	0	0	0	0	0	<i>Compensation in lieu of Concessions</i>
1	2	0	3	0	0	0	0	0	1	Property Tax compensations due to concessions certain taxpayers
1	3	0	0	0	0	0	0	0	0	Rental Income from municipal properties
1	3	0	1	0	0	0	0	0	0	<i>Rent From Civic Amenities</i>
1	3	0	1	0	0	0	0	0	1	Rent from Markets
1	3	0	1	0	0	0	0	0	2	Rent from Shopping Complexes
1	3	0	1	0	0	0	0	0	3	Rent from Auditoriums
1	3	0	1	0	0	0	0	0	4	Rent from Art Galleries
1	3	0	1	0	0	0	0	0	5	Rental Income from Marriage halls, community centers
1	3	0	1	0	0	0	0	0	6	Rental Income from Playgrounds
1	3	0	1	0	0	0	0	0	7	Rental Income from Nurseries
1	3	0	1	0	0	0	0	0	8	Rental Income from Others
1	3	0	2	0	0	0	0	0	0	<i>Rent from office Buildings</i>
1	3	0	2	0	0	0	0	0	1	Rent from employee quarters
1	3	0	2	0	0	0	0	0	2	Rent from Office Building – Others
1	3	0	3	0	0	0	0	0	0	<i>Rent from Guest Houses</i>
1	3	0	3	0	0	0	0	0	1	Rent from Guest Houses
1	3	0	4	0	0	0	0	0	0	<i>Rent from lease of Lands</i>
1	3	0	4	0	0	0	0	0	1	Rent from lease of Lands – Lump-sum
1	3	0	4	0	0	0	0	0	2	Rent from lease of Lands – Installments
1	3	0	4	0	0	0	0	0	3	From Development Authorities
1	3	0	8	0	0	0	0	0	0	<i>Other Rents</i>
1	3	0	8	0	0	0	0	0	1	Lease income from leasing out parking place
1	3	0	9	0	0	0	0	0	0	<i>Rent remission and refunds</i>
1	3	0	9	0	0	0	0	0	1	Rent From Civic Amenities
1	3	0	9	0	0	0	0	0	2	Rent From office Buildings

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	3	0	9	0	0	0	0	0	3	Rent From Guest Houses
1	3	0	9	0	0	0	0	0	4	Rent from lease of Lands
1	3	0	9	0	0	0	0	0	5	Other Rents
1	4	0	0	0	0	0	0	0	0	Fees and User charges
1	4	0	1	0	0	0	0	0	0	Empanelment and Registration Charges
1	4	0	1	0	0	0	0	0	1	Registration of Carts
1	4	0	1	0	0	0	0	0	2	Registration of Contractors
1	4	0	1	0	0	0	0	0	3	Registration of patients
1	4	0	1	0	0	0	0	0	4	Registration of Professionals/Enlistment Fees
1	4	0	1	0	0	0	0	0	5	Registration of Municipal Works contractors
1	4	0	1	0	0	0	0	0	6	Cess Registration
1	4	0	1	0	0	0	0	0	7	Registration Charges for school
1	4	0	1	0	0	0	0	0	8	Registration on Dogs
1	4	0	1	1	0	0	0	0	0	Licensing Fees
1	4	0	1	1	0	0	0	0	1	Licensing Fees for Slaughtering
1	4	0	1	1	0	0	0	0	2	Licensing Fees for Butchers and Traders of meat
1	4	0	1	1	0	0	0	0	3	Licensing Fees for Poultry
1	4	0	1	1	0	0	0	0	4	Licensing Fees for Cattle Pounding
1	4	0	1	1	0	0	0	0	5	Licensing Fees for Bazaars – Cattle Fair
1	4	0	1	1	0	0	0	0	6	Licensing Fees for Prevention of food and adulteration act and rules
1	4	0	1	1	0	0	0	0	7	Licensing Fees for Hawkers
1	4	0	1	1	0	0	0	0	8	Licensing Fees for Shops
1	4	0	1	1	0	0	0	0	9	Licensing Fees for Plumbing
1	4	0	1	1	0	0	0	1	0	Licensing Fees for Fish Monger
1	4	0	1	1	0	0	0	1	1	Licensing Fees for Hotels
1	4	0	1	1	0	0	0	1	2	Licensing Fees for Cinema Halls
1	4	0	1	1	0	0	0	1	3	Licensing Fees for Clinics
1	4	0	1	1	0	0	0	1	4	Licensing Fees for use of premises for non-residential purposes
1	4	0	1	1	0	0	0	1	5	Licensing Fee for Offensive and Dangerous Trades
1	4	0	1	1	0	0	0	1	6	Licensing Fee for Others
1	4	0	1	2	0	0	0	0	0	Fees for Grant of Permit
1	4	0	1	2	0	0	0	0	1	Construction of Building
1	4	0	1	2	0	0	0	0	2	Transits Permit
1	4	0	1	2	0	0	0	0	3	Escort Permit
1	4	0	1	2	0	0	0	0	4	Lay-out permit
1	4	0	1	2	0	0	0	0	5	Sub-division permit fees
1	4	0	1	2	0	0	0	0	6	Plan Sanction fees
1	4	0	1	3	0	0	0	0	0	Fees for Certificate or Extract
1	4	0	1	3	0	0	0	0	1	Fees for Copying
1	4	0	1	3	0	0	0	0	2	Fee for Birth and Death Certificate
1	4	0	1	3	0	0	0	0	3	Fees for Occupancy Certificates
1	4	0	1	3	0	0	0	0	4	Fees for Certificates-Others
1	4	0	1	4	0	0	0	0	0	Development Charges
1	4	0	1	4	0	0	0	0	1	Development fees

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	4	0	1	4	0	0	0	0	2	Betterment fees
1	4	0	1	4	0	0	0	0	3	Demolition Charges
1	4	0	1	4	0	0	0	0	4	Open space contribution fees
1	4	0	1	4	0	0	0	0	5	Parking fees
1	4	0	1	4	0	0	0	0	6	Site Clearance Fees
1	4	0	1	4	0	0	0	0	7	Vacant Site Service Charge
1	4	0	1	5	0	0	0	0	0	<i>Regularization Fees</i>
1	4	0	1	5	0	0	0	0	1	Encroachment fees
1	4	0	1	5	0	0	0	0	2	Regularization of constructed building
1	4	0	1	5	0	0	0	0	3	Regularization of constructed kachi basti
1	4	0	1	5	0	0	0	0	4	Conversion fees Agriculture land
1	4	0	1	5	0	0	0	0	5	Regularizations Fees – Others
1	4	0	1	5	0	0	0	0	6	Conversion Charges from Leasehold Holding to Freehold land
1	4	0	1	6	0	0	0	0	0	<i>Water Charges</i>
1	4	0	1	6	0	0	0	0	1	Water Charges on Residential buildings
1	4	0	1	6	0	0	0	0	2	Water Charges on Commercial buildings
1	4	0	1	6	0	0	0	0	3	Water Charges on State Government buildings
1	4	0	1	6	0	0	0	0	4	Water Charges on the Closed and Sick industries
1	4	0	1	6	0	0	0	0	5	Water Charges on industries under litigation or dispute
1	4	0	1	7	0	0	0	0	0	<i>Permission Fee (Advertisement)</i>
1	4	0	1	7	0	0	1	0	1	Permission Fee (Municipal Properties)
1	4	0	1	7	0	0	1	0	2	Permission Charges -Land hoarding
1	4	0	1	7	0	0	1	0	3	Permission Charges -Bus Shelter
1	4	0	1	7	0	0	1	0	4	Permission Charges – Public Transport
1	4	0	1	7	0	0	1	0	5	Permission Charges -Neon ,signs and shops
1	4	0	1	7	0	0	1	0	5	Permission Charges on tree guards
1	4	0	1	7	0	0	1	0	6	Permission Charges on toilets
1	4	0	1	7	0	0	1	0	7	Permission Charges on traffic signals, Police booths, Umbrellas
1	4	0	1	7	0	0	1	0	8	Permission Charges on Footpaths, railing Poles, etc
1	4	0	1	7	0	0	1	0	9	Permission Charges-Others (Water ATM, Balloon etc)
1	4	0	1	7	0	0	2	0	0	Permission Fee (Advertisement on Private Land and Buildings)
1	4	0	1	7	0	0	2	0	1	Permission Charges on Pvt. land holdings
1	4	0	2	0	0	0	0	0	0	<i>Penalties and Fines</i>
1	4	0	2	0	0	0	0	0	1	Penalty and Fine under the Haryana Municipal Act 1973/1994
1	4	0	2	0	0	0	0	0	2	Penalties and Fines under Other Acts
1	4	0	2	0	0	0	0	0	3	Penalties and Fines under Samjhota Adhisandhan
1	4	0	2	0	0	0	0	0	4	Octroi
1	4	0	2	0	0	0	0	0	5	Cess
1	4	0	2	0	0	0	0	0	6	Penalties and Fines – Others
1	4	0	4	0	0	0	0	0	0	<i>Other Fees</i>
1	4	0	4	0	0	0	0	0	1	Tuition Fees
1	4	0	4	0	0	0	0	0	2	House Connection for Water

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	4	0	4	0	0	0	0	0	3	Disconnection fees
1	4	0	4	0	0	0	0	0	4	Notice fees
1	4	0	4	0	0	0	0	0	5	Warrant fees
1	4	0	4	0	0	0	0	0	6	Mutation Fees
1	4	0	4	0	0	0	0	0	7	Property transfer fees
1	4	0	4	0	0	0	0	0	8	Sports Fees
1	4	0	4	0	0	0	0	0	9	Library Fees
1	4	0	4	0	0	0	0	1	0	Survey fees
1	4	0	4	0	0	0	0	1	1	Erection of building fees
1	4	0	4	0	0	0	0	1	2	Admission Fees-Education
1	4	0	4	0	0	0	0	1	3	Building/Development Fees
1	4	0	4	0	0	0	0	1	4	House Connection for Sewerage
1	4	0	4	0	0	0	0	1	5	Mooring of Vessels
1	4	0	5	0	0	0	0	0	0	User Charges
1	4	0	5	0	0	0	0	0	1	Lease Rent Annual Premium
1	4	0	5	0	0	0	0	0	2	Sale of medicines, X- Ray etc.
1	4	0	5	0	0	0	0	0	3	Examination Charges
1	4	0	5	0	0	0	0	0	4	Ambulance Charges
1	4	0	5	0	0	0	0	0	5	Funeral Van Services
1	4	0	5	0	0	0	0	0	6	Garbage Collection Fees
1	4	0	5	0	0	0	0	0	7	Septic tank Clearance Charges
1	4	0	5	0	0	0	0	0	8	Sewerage clearance charges
1	4	0	5	0	0	0	0	0	9	Charges for Pay and Use toilets
1	4	0	5	0	0	0	0	1	0	Supply of extra water/Special water supply/water tanker
1	4	0	5	0	0	0	0	1	1	Meter Rent for water Supply
1	4	0	5	0	0	0	0	1	2	Connection-charges, Electricity
1	4	0	5	0	0	0	0	1	3	Parking fees
1	4	0	5	0	0	0	0	1	4	Luggage Charges
1	4	0	5	0	0	0	0	1	5	Tickets Charges
1	4	0	5	0	0	0	0	1	6	Burial Ground Charges
1	4	0	5	0	0	0	0	1	7	Fire Extinguishing charges
1	4	0	5	0	0	0	0	1	8	Littering and Debris Collection Fees
1	4	0	5	0	0	0	0	1	9	Crematorium Charges
1	4	0	5	0	0	0	0	2	0	User Charges- Others
1	4	0	5	0	0	0	0	2	1	Sewerage Blockage and Sewerage inspection fees
1	4	0	6	0	0	0	0	0	0	Entry Fees
1	4	0	6	0	0	0	0	0	1	Park Entrance Fees
1	4	0	6	0	0	0	0	0	2	Entry Fees for Library
1	4	0	6	0	0	0	0	0	3	Entry Fees for Play grounds
1	4	0	6	0	0	0	0	0	4	Entry Fees for Zoo
1	4	0	6	0	0	0	0	0	5	Entry fees for swimming pool
1	4	0	6	0	0	0	0	0	6	Entry fees – Others
1	4	0	6	0	0	0	0	0	7	Entry Fees for Museum
1	4	0	7	0	0	0	0	0	0	Service/Administrative Charges
1	4	0	7	0	0	0	0	0	1	Service Charges

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	4	0	7	0	0	0	0	0	2	Percentage on Deposit Works
1	4	0	7	0	0	0	0	0	3	Plan Preparation charges
1	4	0	7	0	0	0	0	0	4	Road Damage Recovery
1	4	0	7	0	0	0	0	0	5	Stacking Fees
1	4	0	7	0	0	0	0	0	6	Rebate from state government
1	4	0	7	0	0	0	0	0	7	Service/Administrative Charges – Others
1	4	0	8	0	0	0	0	0	0	Other Charges
1	4	0	8	0	0	0	0	0	1	Other Charges
1	4	0	9	0	0	0	0	0	0	Remission and Refund
1	4	0	9	0	0	0	1	0	0	Permission Fee (Advertisement)
1	4	0	9	0	0	0	1	0	1	Permission Charges -Land hoarding
1	4	0	9	0	0	0	1	0	2	Permission Charges -Bus Shelter
1	4	0	9	0	0	0	1	0	3	Permission Charges – Public Transport
1	4	0	9	0	0	0	1	0	4	Permission Charges -Neon, signs and shops
1	4	0	9	0	0	0	1	0	5	Permission Charges on Pvt. land holdings
1	4	0	9	0	0	0	1	0	6	Permission Charges on toilets
1	4	0	9	0	0	0	1	0	7	Permission Charges on traffic signals, Police booths, Umbrellas
1	4	0	9	0	0	0	1	0	8	Permission Charges on Footpaths, railing Poles, etc
1	4	0	9	0	0	0	1	0	9	Permission Charges on tree guards
1	4	0	9	0	0	0	1	1	0	Permission Charges-Others (Water ATM, Balloons etc)
1	4	0	9	0	0	0	2	0	0	Water Charges
1	4	0	9	0	0	0	2	0	1	Water Charges on Residential buildings
1	4	0	9	0	0	0	2	0	2	Water Charges on Commercial buildings
1	4	0	9	0	0	0	2	0	3	Water Charges on State Government buildings
1	4	0	9	0	0	0	2	0	4	Water Charges on the Closed and Sick industries
1	4	0	9	0	0	0	2	0	5	Water Charges on industries under litigation or dispute
1	4	0	9	0	0	0	3	0	0	Other Fee and User Charges
1	4	0	9	0	0	0	3	0	1	Empanelment and Registration Charges
1	4	0	9	0	0	0	3	0	2	Licensing Fees
1	4	0	9	0	0	0	3	0	3	Other Fee and Charges
1	5	0	0	0	0	0	0	0	0	Sale and Hire Charges
1	5	0	1	0	0	0	0	0	0	Sale of Products
1	5	0	1	0	0	0	0	0	1	Sale of Tree Guards
1	5	0	1	0	0	0	0	0	2	Sale of garbage
1	5	0	1	0	0	0	0	0	3	Sale of Manure
1	5	0	1	0	0	0	0	0	4	Sale of rubbish
1	5	0	1	0	0	0	0	0	5	Sale of Compost
1	5	0	1	0	0	0	0	0	6	Sale of Trees
1	5	0	1	0	0	0	0	0	7	Sale of Flowers
1	5	0	1	0	0	0	0	0	8	Sale of Fruits
1	5	0	1	0	0	0	0	0	9	Sale of Nursery Plants
1	5	0	1	0	0	0	0	1	0	Sale Of Grass
1	5	0	1	1	0	0	0	0	0	Sale of Forms and Publications

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	5	0	1	1	0	0	0	0	1	Sale of Tender Forms
1	5	0	1	1	0	0	0	0	2	Sale of Maps
1	5	0	1	1	0	0	0	0	3	Sale of Plans
1	5	0	1	1	0	0	0	0	4	Food license Form
1	5	0	1	1	0	0	0	0	5	Non-Residential Form
1	5	0	1	1	0	0	0	0	6	Sale Permission Form
1	5	0	1	1	0	0	0	0	7	Tax Review Form
1	5	0	1	1	0	0	0	0	8	Water connection Application Form
1	5	0	1	1	0	0	0	0	9	Birth Certificate Form
1	5	0	1	1	0	0	0	1	0	Death certificate Form
1	5	0	1	1	0	0	0	1	1	Provisional certificate Form
1	5	0	1	1	0	0	0	1	2	Clearance of Septic Tank Form
1	5	0	1	1	0	0	0	1	3	Sale of Forms and Publications- Others
1	5	0	1	2	0	0	0	0	0	<i>Sale of Stores and Spares</i>
1	5	0	1	2	0	0	0	0	1	Obsolete Stores
1	5	0	1	2	0	0	0	0	2	Obsolete assets
1	5	0	3	0	0	0	0	0	0	<i>Sale of Others</i>
1	5	0	3	0	0	0	0	0	1	Sale of Old newspapers
1	5	0	3	0	0	0	0	0	2	Sale of Impounded Animals
1	5	0	3	0	0	0	0	0	3	Sale of Others
1	5	0	4	0	0	0	0	0	0	<i>Hire Charges for Vehicles</i>
1	5	0	4	0	0	0	0	0	1	Hire Charges for Bus
1	5	0	4	0	0	0	0	0	2	Hire charges of ambulance
1	5	0	4	0	0	0	0	0	3	Hire charges of Other Vehicle
1	5	0	4	1	0	0	0	0	0	<i>Hire Charges on Equipments</i>
1	5	0	4	1	0	0	0	0	1	Hire Charges for rollers
1	5	0	4	1	0	0	0	0	2	Hire Charges for tools and Equipments
1	5	0	4	1	0	0	0	0	3	Hire Charges for Medical Equipments
1	6	0	0	0	0	0	0	0	0	Revenue Grants, Contributions and Subsidies
1	6	0	1	0	0	0	0	0	0	<i>Revenue Grant</i>
1	6	0	1	0	0	0	0	0	1	Grant from Education Departments
1	6	0	1	0	0	0	0	0	2	General Grant
1	6	0	1	0	0	0	0	0	3	Family Welfare Grants
1	6	0	1	0	0	0	0	0	4	Road Development Grants
1	6	0	1	0	0	0	0	0	5	Revenue Grants from State Finance Commission Grants
1	6	0	1	0	0	0	0	0	6	Revenue Grants from Central Finance Commission Grants
1	6	0	1	0	0	0	0	0	7	Census Grant
1	6	0	1	0	0	0	0	0	8	Revenue Grants from Government Agencies
1	6	0	1	0	0	0	0	0	9	Revenue Grant from Financial Institutions
1	6	0	1	0	0	0	0	1	0	Revenue Grant from Welfare Bodies
1	6	0	1	0	0	0	0	1	1	Revenue Grant from International Organizations
1	6	0	1	0	0	0	0	1	2	Revenue Grant from Others
1	6	0	2	0	0	0	0	0	0	<i>Re-imbursement of expenses</i>
1	6	0	2	0	0	0	0	0	1	Re-imbursement of expenses

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	6	0	3	0	0	0	0	0	0	Contribution towards Schemes
1	6	0	3	0	0	0	0	0	1	Contribution towards Schemes
1	7	0	0	0	0	0	0	0	0	Income from Investments
1	7	0	1	0	0	0	0	0	0	Interest
1	7	0	1	0	0	0	0	0	1	Interest from fixed Deposits
1	7	0	1	0	0	0	0	0	2	Interest on Government deposits
1	7	0	1	0	0	0	0	0	3	Interest on Post office deposits
1	7	0	1	0	0	0	0	0	4	Interest-Others
1	7	0	2	0	0	0	0	0	0	Dividend
1	7	0	2	0	0	0	0	0	1	Saving Account
1	7	0	2	0	0	0	0	0	2	Dividend – Others
1	7	0	3	0	0	0	0	0	0	Income from projects taken on commercial basis
1	7	0	3	0	0	0	0	0	1	Income from plying of boats owned by local bodies
1	7	0	3	0	0	0	0	0	2	Income from water works owned by local bodies
1	7	0	3	0	0	0	0	0	3	Income from other sources
1	7	0	4	0	0	0	0	0	0	Profit on sale of Investments
1	7	0	4	0	0	0	0	0	1	Profit on sale of Investments
1	7	0	8	0	0	0	0	0	0	Other income from Investments
1	7	0	8	0	0	0	0	0	1	Appreciation in value of Investments
1	7	1	0	0	0	0	0	0	0	Interest Earned
1	7	1	1	0	0	0	0	0	0	Interest from Bank Accounts
1	7	1	1	0	0	0	0	0	1	Interest from PD Account
1	7	1	1	0	0	0	0	0	2	Interest from SB Account
1	7	1	2	0	0	0	0	0	0	Interest on Loans and advances to Employees
1	7	1	2	0	0	0	0	0	1	Interest on House building Loan/Advance
1	7	1	2	0	0	0	0	0	2	Interest on Conveyance Advance
1	7	1	2	0	0	0	0	0	3	Interest on Computer Loan/Advance
1	7	1	2	0	0	0	0	0	4	Interest on Festival Advance
1	7	1	2	0	0	0	0	0	5	Interest on vehicle advance
1	7	1	2	0	0	0	0	0	6	Interest on Food Grain
1	7	1	2	0	0	0	0	0	7	Interest on Loans and advances to Employees- Others
1	7	1	3	0	0	0	0	0	0	Interest on Loans and advances to Others
1	7	1	3	0	0	0	0	0	1	Interest on Loans and advances to Others
1	7	1	8	0	0	0	0	0	0	Other Interest
1	7	1	8	0	0	0	0	0	1	Interest on Hire-Purchases
1	7	1	8	0	0	0	0	0	2	Interest on Property Tax receivable
1	7	1	8	0	0	0	0	0	3	Interest on Water Charges receivable
1	7	1	8	0	0	0	0	0	4	Interest on rental Income receivable
1	8	0	0	0	0	0	0	0	0	Other Income
1	8	0	1	0	0	0	0	0	0	Deposits Forfeited
1	8	0	1	0	0	0	0	0	1	Contractors
1	8	0	1	0	0	0	0	0	2	Suppliers
1	8	0	1	0	0	0	0	0	3	Water Supply Deposits
1	8	0	1	0	0	0	0	0	4	Rental Deposits
1	8	0	1	0	0	0	0	0	0	Lapsed Deposits

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
1	8	0	1	1	0	0	0	0	1	Contractors
1	8	0	1	1	0	0	0	0	2	Suppliers
1	8	0	1	1	0	0	0	0	3	Water Supply Deposits
1	8	0	1	1	0	0	0	0	4	Rental Deposits
1	8	0	1	1	0	0	0	0	5	Lapsed Deposits- Others
1	8	0	2	0	0	0	0	0	0	Insurance Claim Recovery
1	8	0	2	0	0	0	0	0	1	Insurance Claim Recovery
1	8	0	3	0	0	0	0	0	0	Profit on Disposal of fixed assets
1	8	0	3	0	0	0	0	0	1	Land
1	8	0	3	0	0	0	0	0	2	Buildings
1	8	0	3	0	0	0	0	0	3	Roads and Bridges
1	8	0	3	0	0	0	0	0	4	Fly Over
1	8	0	3	0	0	0	0	0	5	Sewerage and Drainage
1	8	0	3	0	0	0	0	0	6	Water Ways
1	8	0	3	0	0	0	0	0	7	Plants and Machinery
1	8	0	3	0	0	0	0	0	8	Vehicles
1	8	0	3	0	0	0	0	0	9	Office and Other Equipments
1	8	0	3	0	0	0	0	1	0	Furniture, fixtures, fittings and electric Appliances
1	8	0	3	0	0	0	0	1	1	Intangible assets
1	8	0	4	0	0	0	0	0	0	Recovery from employees
1	8	0	4	0	0	0	0	0	1	Recovery from employees
1	8	0	5	0	0	0	0	0	0	Unclaimed Refund Payable/Liabilities Written back
1	8	0	5	0	0	0	0	0	1	Stale cheques
1	8	0	6	0	0	0	0	0	0	Excess Provisions written back
1	8	0	6	0	0	0	0	0	1	Provision written back on Property Tax
1	8	0	6	0	0	0	0	0	2	Provision written back on Water Charge
1	8	0	6	0	0	0	0	0	3	Provision written back on Rental Income receivable
1	8	0	6	0	0	0	0	0	4	Provision written back on Encroached Lands
1	8	0	6	0	0	0	0	0	5	Provision written back for Depreciation
1	8	0	8	0	0	0	0	0	0	Miscellaneous Income
1	8	0	8	0	0	0	0	0	1	Income from TV Operators
1	8	0	8	0	0	0	0	0	2	Realization Under Haryana Municipal acts
1	8	0	8	0	0	0	0	0	3	Realization Under Other Acts
1	8	0	8	0	0	0	0	0	4	Fines Under Other Acts/Contracts
1	8	0	8	0	0	0	0	0	5	Recoveries on account of services Rendered to Private Individuals
1	8	0	8	0	0	0	0	0	6	Bad debts recovered
1	8	0	8	0	0	0	0	0	7	Sale of scrap and material
1	8	0	8	0	0	0	0	0	8	Penalties/Damages from Contractors
1	8	0	8	0	0	0	0	0	9	Penalties/Damages from Suppliers
1	8	0	8	0	0	0	0	1	0	Recoveries from Contractors
1	8	0	8	0	0	0	0	1	1	Recoveries from Suppliers
1	8	0	8	0	0	0	0	1	2	Others Misc. Income

Accounting Heads – Revenue Expenditure

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
2	1	0	0	0	0	0	0	0	0	Establishment Expenses
2	1	0	1	0	0	0	0	0	0	Salaries, Wages and Bonus
2	1	0	1	0	0	0	0	0	1	Salaries and Allowances – Officers
2	1	0	1	0	0	0	0	0	2	Salaries and Allowances – Staffs
2	1	0	1	0	0	0	0	0	3	Wages
2	1	0	1	0	0	0	0	0	4	Performance Bonus
2	1	0	1	0	0	0	0	0	5	Ex-gratia
2	1	0	2	0	0	0	0	0	0	Benefits and Allowances
2	1	0	2	0	0	0	0	0	1	Medical Re-imbursement
2	1	0	2	0	0	0	0	0	2	Education Allowance
2	1	0	2	0	0	0	0	0	3	Tuition Fees
2	1	0	2	0	0	0	0	0	4	Conveyance Allowance
2	1	0	2	0	0	0	0	0	5	Uniform to staff
2	1	0	2	0	0	0	0	0	6	Uniform Allowance
2	1	0	2	0	0	0	0	0	7	Parshad Allowance
2	1	0	2	0	0	0	0	0	8	HRD Expenses
2	1	0	2	0	0	0	0	0	9	Staff Welfare Expenses
2	1	0	2	0	0	0	0	1	0	Staff /Officers Training
2	1	0	2	0	0	0	0	1	1	Honorarium to Officers/ Staffs
2	1	0	2	0	0	0	0	1	2	Honorarium to Council members
2	1	0	2	0	0	0	0	1	3	Leave travel Concession
2	1	0	2	0	0	0	0	1	4	Over-time Allowance
2	1	0	2	0	0	0	0	1	5	Compensation to staff
2	1	0	2	0	0	0	0	1	6	Allowances to President/ Mayor/ Chief Municipal Officer
2	1	0	2	0	0	0	0	1	7	Office Contingencies
2	1	0	2	0	0	0	0	1	8	Allowances to Other board of councilors
2	1	0	2	0	0	0	0	1	9	Others
2	1	0	3	0	0	0	0	0	0	Pension
2	1	0	3	0	0	0	0	0	1	Employee Pension
2	1	0	3	0	0	0	0	0	2	Family Pension
2	1	0	3	0	0	0	0	0	3	Pension Fund Contribution
2	1	0	3	0	0	0	0	0	4	Pension contribution for deputation staff
2	1	0	3	0	0	0	0	0	5	Pension deficit contribution
2	1	0	3	0	0	0	0	0	6	Pension contribution to Other Funds
2	1	0	4	0	0	0	0	0	0	Other Terminal and Retirement Benefits
2	1	0	4	0	0	0	0	0	1	Leave Encashment
2	1	0	4	0	0	0	0	0	2	Leave Salary Contribution
2	1	0	4	0	0	0	0	0	3	Leave salary Contribution for deputation staff
2	1	0	4	0	0	0	0	0	4	Death cum Retirement gratuity
2	1	0	4	0	0	0	0	0	5	Contribution to gratuity fund
2	1	0	4	0	0	0	0	0	6	Contribution to PF Funds
2	1	0	4	0	0	0	0	0	7	Others
2	2	0	0	0	0	0	0	0	0	Administrative Expenses
2	2	0	1	0	0	0	0	0	0	Rent, Rates and Taxes
2	2	0	1	0	0	0	0	0	1	Office -Building rent
2	2	0	1	0	0	0	0	0	2	Other rents
2	2	0	1	0	0	0	0	0	3	Rates and taxes

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
2	2	0	1	1	0	0	0	0	0	Office-Maintenance

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
2	2	0	1	1	0	0	0	0	1	Electricity expenses
2	2	0	1	1	0	0	0	0	2	Water Charges
2	2	0	1	1	0	0	0	0	3	Security expenses
2	2	0	1	2	0	0	0	0	0	Communication Expenses
2	2	0	1	2	0	0	0	0	1	Telephone Expenses
2	2	0	1	2	0	0	0	0	2	Cell phone Expenses
2	2	0	1	2	0	0	0	0	3	Postage and Telegram
2	2	0	1	2	0	0	0	0	4	Fax expenses
2	2	0	2	0	0	0	0	0	0	Books and Periodicals
2	2	0	2	0	0	0	0	0	1	Magazines
2	2	0	2	0	0	0	0	0	2	Newspapers
2	2	0	2	0	0	0	0	0	3	Journals
2	2	0	2	0	0	0	0	0	4	Books
2	2	0	2	1	0	0	0	0	0	Printing and Stationary
2	2	0	2	1	0	0	0	0	1	Printing
2	2	0	2	1	0	0	0	0	2	Stationary
2	2	0	2	1	0	0	0	0	3	Computer Consumables
2	2	0	3	0	0	0	0	0	0	Traveling and Conveyance
2	2	0	3	0	0	0	0	0	1	Traveling and Conveyance -President /Mayor/Chief Municipal Officer
2	2	0	3	0	0	0	0	0	2	Traveling and Conveyance -Board of Councilors
2	2	0	3	0	0	0	0	0	3	Traveling and Conveyance –Others
2	2	0	3	0	0	0	0	0	4	Fuel
2	2	0	3	0	0	0	0	0	5	Petrol and Diesel
2	2	0	4	0	0	0	0	0	0	Insurance
2	2	0	4	0	0	0	0	0	1	Insurance-Vehicles
2	2	0	4	0	0	0	0	0	2	Group Insurance scheme
2	2	0	5	0	0	0	0	0	0	Audit-Fees
2	2	0	5	0	0	0	0	0	1	Fee for Statutory Audit
2	2	0	5	0	0	0	0	0	2	Internal Audit Fees
2	2	0	5	0	0	0	0	0	3	Special Audit Fees
2	2	0	5	1	0	0	0	0	0	Legal Expenses
2	2	0	5	1	0	0	0	0	1	Legal Fees
2	2	0	5	1	0	0	0	0	2	Cost of recoveries of tax revenue
2	2	0	5	1	0	0	0	0	3	Suit Compromises
2	2	0	5	2	0	0	0	0	0	Professional and other Fees
2	2	0	5	2	0	0	0	0	1	Professional fees-Architecture
2	2	0	5	2	0	0	0	0	2	Professional fees-Engineer
2	2	0	5	2	0	0	0	0	3	Technical Fees
2	2	0	5	2	0	0	0	0	4	Consultancy Charges
2	2	0	6	0	0	0	0	0	0	Advertisement and Publicity
2	2	0	6	0	0	0	0	0	1	Hospitality Expenses
2	2	0	6	0	0	0	0	0	2	Advertisement and Publicity
2	2	0	6	0	0	0	0	0	3	Seminar and Workshop
2	2	0	6	0	0	0	0	0	4	Cultural events
2	2	0	6	1	0	0	0	0	0	Membership and Subscriptions
2	2	0	6	1	0	0	0	0	1	Professional Societies
2	2	0	8	0	0	0	0	0	0	Others
2	2	0	8	0	0	0	0	0	1	Medicine, Phenyle etc.
2	2	0	8	0	0	0	0	0	2	Other Contingencies (The detailed codes for branch/department wise may be used by Municipality after approval from DULB)
2	3	0	0	0	0	0	0	0	0	Operation and Maintenance
2	3	0	1	0	0	0	0	0	0	Power and Fuel

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
2	3	0	1	0	0	0	0	0	1	Electricity Expenses
2	3	0	1	0	0	0	0	0	2	Diesel expenses
2	3	0	1	0	0	0	0	0	3	Petrol expenses
2	3	0	2	0	0	0	0	0	0	<i>Bulk Purchases</i>
2	3	0	2	0	0	0	0	0	1	Bulk Purchase of Electricity
2	3	0	2	0	0	0	0	0	2	Bulk Purchase of Water
2	3	0	3	0	0	0	0	0	0	<i>Consumption of Stores</i>
2	3	0	3	0	0	0	0	0	1	Central Store
2	3	0	3	0	0	0	0	0	2	Engineering Store
2	3	0	3	0	0	0	0	0	3	Auto Store
2	3	0	3	0	0	0	0	0	4	Medical Store
2	3	0	3	0	0	0	0	0	5	Health Store
2	3	0	3	0	0	0	0	0	6	Stationary Store
2	3	0	3	0	0	0	0	0	7	Storm water Store
2	3	0	3	0	0	0	0	0	8	Drainage Store
2	3	0	3	0	0	0	0	0	9	Sewerage Store
2	3	0	3	0	0	0	0	1	0	Sanitary and Conservancy Store
2	3	0	3	0	0	0	0	1	1	Water Supply Store
2	3	0	3	0	0	0	0	1	2	Electricity Store
2	3	0	3	0	0	0	0	1	3	Machinery Spares
2	3	0	4	0	0	0	0	0	0	<i>Hire-Charges</i>
2	3	0	4	0	0	0	0	0	1	Hire-charges –Ambulance
2	3	0	4	0	0	0	0	0	2	Hire -Charges-Road rollers
2	3	0	4	0	0	0	0	0	3	Hire -Charges-Machinery Rent
2	3	0	4	1	0	0	0	0	0	<i>Repair and Maintenance-Statues and Heritage Assets</i>
2	3	0	4	1	0	0	0	0	1	Repair and Maintenance-Statues and Heritage Assets
2	3	0	5	0	0	0	0	0	0	<i>Repair and Maintenance -Infrastructure Assets</i>
2	3	0	5	0	0	0	0	0	1	Repair and Maintenance-Roads and Pavements
2	3	0	5	0	0	0	0	0	2	Repair and Maintenance- Bridges and Flyovers
2	3	0	5	0	0	0	0	0	3	Repair and Maintenance-Water Supply
2	3	0	5	0	0	0	0	0	4	Repair and Maintenance-Sewerage and Drainage
2	3	0	5	0	0	0	0	0	5	Repair and Maintenance-Street Light Posts
2	3	0	5	0	0	0	0	0	6	Repair and Maintenance-Storm Water Drains
2	3	0	5	0	0	0	0	0	7	Repair and Maintenance-Parks, Garden and Playgrounds
2	3	0	5	1	0	0	0	0	0	<i>Repair and Maintenance -Civic Amenities</i>
2	3	0	5	1	0	0	0	0	1	Repair and Maintenance-Parks, Garden and Playgrounds
2	3	0	5	1	0	0	0	0	2	Repair and Maintenance –lakes
2	3	0	5	1	0	0	0	0	3	Repair and Maintenance -Parking Lots
2	3	0	5	1	0	0	0	0	4	Repair and Maintenance –Markets, Commercial Complex
2	3	0	5	1	0	0	0	0	5	Repair and Maintenance -Play Materials
2	3	0	5	1	0	0	0	0	6	Repair and Maintenance -Public toilets
2	3	0	5	1	0	0	0	0	7	Repair and Maintenance-Swimming Pools
2	3	0	5	1	0	0	0	0	8	Repair and Maintenance-Stadium
2	3	0	5	1	0	0	0	0	9	Repair and Maintenance –Nursery
2	3	0	5	1	0	0	0	1	0	Repair and Maintenance –Houses
2	3	0	5	1	0	0	0	1	1	Repair and Maintenance –Hospitals
2	3	0	5	1	0	0	0	1	2	Repair and Maintenance –Schools
2	3	0	5	2	0	0	0	0	0	<i>Repair and Maintenance - Buildings</i>
2	3	0	5	2	0	0	0	0	1	Repair and Maintenance - Office Buildings
2	3	0	5	2	0	0	0	0	2	Repair and Maintenance – Residential Buildings
2	3	0	5	2	0	0	0	0	3	Others
2	3	0	5	3	0	0	0	0	0	<i>Repair and Maintenance -Vehicles</i>
2	3	0	5	3	0	0	0	0	1	Ambulances

Major Code			Minor Code		Sub Minor Code			Detail Code		Description	
2	3	0	5	3	0	0	0	0	2	Buses	
2	3	0	5	3	0	0	0	0	3	Cars	
2	3	0	5	3	0	0	0	0	4	Jeeps	
2	3	0	5	3	0	0	0	0	5	Cranes	
2	3	0	5	3	0	0	0	0	6	Trucks	
2	3	0	5	3	0	0	0	0	7	Tankers	
2	3	0	5	3	0	0	0	0	8	Road-rollers	
2	3	0	5	9	0	0	0	0	0	Repair and Maintenance -Others	
2	3	0	5	9	0	0	0	0	1	Repair and Maintenance-Furniture and Fixtures	
2	3	0	5	9	0	0	0	0	2	Repair and Maintenance-Electric Appliances	
2	3	0	5	9	0	0	0	0	3	Repair and Maintenance-Office equipment	
2	3	0	5	9	0	0	0	0	4	Repair and Maintenance-Survey and Drawing Equipment's	
2	3	0	5	9	0	0	0	0	5	Repair and Maintenance -Plant and Machinery	
2	3	0	5	9	0	0	0	9	6	Repair and Maintenance -Other Fixed Assets	
2	3	0	8	0	0	0	0	0	0	Other operating and Maintenance expenses	
2	3	0	8	0	0	0	0	0	1	Testing and Inspection expenses	
2	3	0	8	0	0	0	0	0	2	Water Purification expenses	
2	3	0	8	0	0	0	0	0	3	Manure Analysis	
2	3	0	8	0	0	0	0	0	4	Garbage Clearance expenses	
2	3	0	8	0	0	0	0	0	5	Contract Vehicle	
2	3	0	8	0	0	0	0	0	6	Fodder to Animals	
2	3	0	8	0	0	0	0	0	7	Patient food expenses	
2	3	0	8	0	0	0	0	0	8	Patient Laundry expenses	
2	3	0	8	0	0	0	0	0	9	Tax of Public Transport	
2	3	0	8	0	0	0	0	1	0	Others	
2	4	0	0	0	0	0	0	0	0	Interest and Finance Charges	
2	4	0	1	0	0	0	0	0	0	Interest on Loans from the Central Government	
2	4	0	1	0	0	0	0	0	1	Interest on Loans from the Central Government	
2	4	0	2	0	0	0	0	0	0	Interest on Loans from the State Government	
2	4	0	2	0	0	0	0	0	1	Interest on Loans from the State Government	
2	4	0	3	0	0	0	0	0	0	Interest on Loans from the Government Bodies and associations	
2	4	0	3	0	0	0	0	0	1	Interest on Loans from the State Government	
2	4	0	3	0	0	0	0	0	2	Interest on Loans from the Central Government	
2	4	0	4	0	0	0	0	0	0	Interest on Loans from International Agencies	
2	4	0	4	0	0	0	0	0	1	Interest on Loans from International Agencies	
2	4	0	5	0	0	0	0	0	0	Interest on Loans from Banks and other Financial Institutions	
2	4	0	5	0	0	0	0	0	1	Interest on Loans from Banks and other Financial Institutions	
2	4	0	6	0	0	0	0	0	0	Other Interest	
2	4	0	6	0	0	0	0	0	1	Interest on Leases	
2	4	0	6	0	0	0	0	0	2	Interest on Hire-Purchases	
2	4	0	6	0	0	0	0	0	3	Interest on Bonds	
2	4	0	6	0	0	0	0	0	4	Interest on Debentures	
2	4	0	7	0	0	0	0	0	0	Bank Charges	
2	4	0	7	0	0	0	0	0	1	Bank Charges	
2	4	0	8	0	0	0	0	0	0	Other Finance Expenses	
2	4	0	8	0	0	0	0	0	1	Discount on Early/Prompt Payments	
2	4	0	8	0	0	0	0	0	2	Commitment charges	
2	4	0	8	0	0	0	0	0	3	Rebate on Property Tax Receivable	
2	5	0	0	0	0	0	0	0	0	Programme Expenses	
2	5	0	1	0	0	0	0	0	0	Election Expenses	
2	5	0	1	0	0	0	0	0	1	Election Expenses	
2	5	0	2	0	0	0	0	0	0	Own Programmes	

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
2	5	0	2	0	0	0	0	0	1	Own Programmes
2	5	0	3	0	0	0	0	0	0	Share in programme of others
2	5	0	3	0	0	0	0	0	1	Share in programme of others
2	6	0	0	0	0	0	0	0	0	Revenue Grants, Contributions and Subsidies
2	6	0	1	0	0	0	0	0	0	Grants
2	6	0	1	0	0	0	0	0	1	Central government
2	6	0	1	0	0	0	0	0	2	State government
2	6	0	1	0	0	0	0	0	3	Other Government Agencies
2	6	0	1	0	0	0	0	0	4	Financial Institutions
2	6	0	1	0	0	0	0	0	5	International Organizations
2	6	0	1	0	0	0	0	0	6	Grant to SC/ST House Holders
2	6	0	2	0	0	0	0	0	0	Contributions
2	6	0	2	0	0	0	0	0	1	Central government
2	6	0	2	0	0	0	0	0	2	State government
2	6	0	2	0	0	0	0	0	3	Other Government Agencies
2	6	0	2	0	0	0	0	0	4	Financial Institutions
2	6	0	2	0	0	0	0	0	5	International Organizations
2	6	0	3	0	0	0	0	0	0	Subsidies
2	6	0	3	0	0	0	0	0	1	Central government
2	6	0	3	0	0	0	0	0	2	State government
2	6	0	3	0	0	0	0	0	3	Other Government Agencies
2	6	0	3	0	0	0	0	0	4	Financial Institutions
2	6	0	3	0	0	0	0	0	5	International Organizations
2	7	0	0	0	0	0	0	0	0	Provisions and write offs
2	7	0	1	0	0	0	0	0	0	Provision For doubtful Receivables
2	7	0	1	0	0	0	0	0	1	Provision for doubtful receivables on Property tax
2	7	0	1	0	0	0	0	0	2	Provision for doubtful receivables on Water Charge
2	7	0	1	0	0	0	0	0	3	Provision for doubtful receivables on Fees and User Charges
2	7	0	1	0	0	0	0	0	4	Provision for doubtful receivables on Rent
2	7	0	1	0	0	0	0	0	5	Provision for doubtful receivables – Others
2	7	0	2	0	0	0	0	0	0	Provision for Other Assets
2	7	0	2	0	0	0	0	0	1	Provision for Stores
2	7	0	2	0	0	0	0	0	2	Provision for Fixed Assets
2	7	0	2	0	0	0	0	0	3	Provision for Encroached Lands
2	7	0	2	0	0	0	0	0	4	Provision for Investments
2	7	0	3	0	0	0	0	0	0	Revenues Written Off
2	7	0	3	0	0	0	0	0	1	Property Tax
2	7	0	3	0	0	0	0	0	2	Water Charge
2	7	0	3	0	0	0	0	0	3	Rental Income
2	7	0	3	0	0	0	0	0	4	Assigned Revenues
2	7	0	3	0	0	0	0	0	5	Grants
2	7	0	3	0	0	0	0	0	6	Other Income
2	7	0	4	0	0	0	0	0	0	Assets Written off
2	7	0	4	0	0	0	0	0	1	Buildings
2	7	0	4	0	0	0	0	0	2	Roads and Bridges
2	7	0	4	0	0	0	0	0	3	Sewerage and Drainage
2	7	0	4	0	0	0	0	0	4	Waterways
2	7	0	4	0	0	0	0	0	5	Public Lighting
2	7	0	4	0	0	0	0	0	6	Plant and Machinery
2	7	0	4	0	0	0	0	0	7	Vehicles
2	7	0	4	0	0	0	0	0	8	Office and Other Equipment
2	7	0	4	0	0	0	0	0	9	Furniture, Fixtures, Fittings and Electric Appliances
2	7	0	4	0	0	0	0	1	0	Stores

Major Code			Minor Code	Sub Minor Code			Detail Code	Description
2	7	0	5	0	0	0	0	Miscellaneous Expense Written off
2	7	0	5	0	0	0	1	Issue Expenses for Bonds
2	7	0	5	0	0	0	2	Issue Expenses for Others
2	7	1	0	0	0	0	0	Miscellaneous Expenses
2	7	1	1	0	0	0	0	Loss on Disposal of Assets
2	7	1	1	0	0	0	1	Buildings
2	7	1	1	0	0	0	2	Parks and Play grounds
2	7	1	1	0	0	0	3	Roads and Bridges
2	7	1	1	0	0	0	4	Sewerage and Drainage
2	7	1	1	0	0	0	5	Waterways
2	7	1	1	0	0	0	6	Public Lighting
2	7	1	1	0	0	0	7	Plant and Machinery
2	7	1	1	0	0	0	8	Vehicles
2	7	1	1	0	0	0	9	Office and Other Equipment
2	7	1	1	0	0	0	10	Furniture, Fixtures, Fittings and Electric Appliances
2	7	1	2	0	0	0	0	Loss on Disposal of Investments
2	7	1	2	0	0	0	1	Loss on Disposal of Investments
2	7	1	3	0	0	0	0	Decline in Value of Investments
2	7	1	3	0	0	0	1	Decline in Value of Investments
2	7	2	0	0	0	0	0	Depreciation
2	7	2	2	0	0	0	0	Buildings
2	7	2	2	0	0	0	1	Office Building
2	7	2	2	0	0	0	2	Ward/Borough Buildings
2	7	2	2	0	0	0	3	Hospital Buildings
2	7	2	2	0	0	0	4	Schools Buildings
2	7	2	2	0	0	0	5	Municipal halls, shops, town halls
2	7	2	2	0	0	0	6	Park Buildings
2	7	2	2	1	0	0	0	Parks and Play grounds
2	7	2	2	1	0	0	1	Parks and Play grounds
2	7	2	3	0	0	0	0	Roads and Bridges
2	7	2	3	0	0	0	1	Roads and Pavements-Concrete
2	7	2	3	0	0	0	2	Roads and Pavements-Black topped
2	7	2	3	0	0	0	3	Roads and Pavements –Others
2	7	2	3	0	0	0	4	Bridges
2	7	2	3	0	0	0	5	Sub-Ways
2	7	2	3	0	0	0	6	Cause-Ways
2	7	2	3	1	0	0	0	Sewerage and Drainage
2	7	2	3	1	0	0	1	Storm Water Drainage
2	7	2	3	1	0	0	2	Drains-Open
2	7	2	3	1	0	0	3	Drains-Closed
2	7	2	3	1	0	0	4	Culverts
2	7	2	3	2	0	0	0	Waterways
2	7	2	3	2	0	0	1	Water Pipelines
2	7	2	3	2	0	0	2	Deep Tube wells
2	7	2	3	2	0	0	3	Water tanks
2	7	2	3	2	0	0	4	Bore Wells
2	7	2	3	2	0	0	5	Open Wells
2	7	2	3	2	0	0	6	Reservoirs
2	7	2	3	3	0	0	0	Public Lighting
2	7	2	3	3	0	0	1	Lamp Posts
2	7	2	3	3	0	0	2	Transformers
2	7	2	4	0	0	0	0	Plant and Machinery
2	7	2	4	0	0	0	1	Water treatment plants

Major Code	Minor Code	Sub Minor Code	Detail Code	Description
2 7 2 4 0 0 0 0 0 2				Water pumping plants
2 7 2 4 0 0 0 0 0 3				Sewerage treatment plants
2 7 2 4 0 0 0 0 0 4				Sewerage pumping station
2 7 2 4 0 0 0 0 0 5				Hospital machinery
2 7 2 4 0 0 0 0 0 6				Road Rollers
2 7 2 4 0 0 0 0 0 7				Mixing Mortars
2 7 2 4 0 0 0 0 0 8				Bulldozers
2 7 2 4 0 0 0 0 0 9				Mechanical Sweepers
2 7 2 4 0 0 0 0 1 0				Cranes
2 7 2 4 0 0 0 0 1 1				Loaders
2 7 2 4 0 0 0 0 1 2				Submersible Pumps
2 7 2 4 0 0 0 0 1 3				Motor Pumps
2 7 2 4 0 0 0 0 1 4				School Equipments
2 7 2 5 0 0 0 0 0 0				<i>Vehicles</i>
2 7 2 5 0 0 0 0 0 1				Ambulances
2 7 2 5 0 0 0 0 0 2				Buses
2 7 2 5 0 0 0 0 0 3				Cars
2 7 2 5 0 0 0 0 0 4				Jeeps
2 7 2 5 0 0 0 0 0 5				Motor Cycles
2 7 2 5 0 0 0 0 0 6				Trucks
2 7 2 5 0 0 0 0 0 7				Tankers
2 7 2 5 0 0 0 0 0 8				Lorry
2 7 2 5 0 0 0 0 0 9				Tractors
2 7 2 5 0 0 0 0 1 0				Mini Lorry
2 7 2 6 0 0 0 0 0 0				<i>Office and Other Equipments</i>
2 7 2 6 0 0 0 0 0 1				Computers
2 7 2 6 0 0 0 0 0 2				Xerox-Machines
2 7 2 6 0 0 0 0 0 3				Type-Writers
2 7 2 6 0 0 0 0 0 4				Communication Equipments
2 7 2 6 0 0 0 0 0 5				Refrigerators
2 7 2 6 0 0 0 0 0 6				Public address systems
2 7 2 6 0 0 0 0 0 7				Wireless equipments
2 7 2 6 0 0 0 0 0 8				T.V. sets
2 7 2 6 0 0 0 0 0 9				Air conditioners
2 7 2 6 0 0 0 0 1 0				Water Coolers
2 7 2 6 0 0 0 0 1 1				Radios
2 7 2 7 0 0 0 0 0 0				<i>Furniture, fixtures, fittings and electric Appliances</i>
2 7 2 7 0 0 0 0 0 1				Cabinets
2 7 2 7 0 0 0 0 0 2				Cupboards
2 7 2 7 0 0 0 0 0 3				Chairs
2 7 2 7 0 0 0 0 0 4				Tables
2 7 2 7 0 0 0 0 0 5				Fans
2 7 2 7 0 0 0 0 0 6				Electric Fittings and Installations
2 7 2 8 0 0 0 0 0 0				<i>Other Fixed Assets</i>
2 7 2 8 0 0 0 0 0 1				Software licensee fees
2 8 0 0 0 0 0 0 0 0				Prior Period Item (Income and Expense)
2 8 0 1 0 0 0 0 0 0				<i>Taxes</i>
2 8 0 1 0 0 0 0 0 1				Property Tax
2 8 0 1 0 0 0 0 0 2				Sewerage Tax
2 8 0 1 0 0 0 0 0 3				Conservancy Tax/Latrine Tax
2 8 0 1 0 0 0 0 0 4				Lightening Tax
2 8 0 1 0 0 0 0 0 5				Education Tax
2 8 0 1 0 0 0 0 0 6				Vehicle Tax

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
2	8	0	1	0	0	0	0	0	7	Tax on Animals
2	8	0	1	0	0	0	0	0	8	Electricity Tax
2	8	0	1	0	0	0	0	0	9	Professional Tax
2	8	0	1	0	0	0	0	1	0	Pilgrimage Tax
2	8	0	1	0	0	0	0	1	1	Any Other Tax
2	8	0	2	0	0	0	0	0	0	<i>Other-Revenues</i>
2	8	0	2	0	0	0	0	0	1	Rental Income
2	8	0	2	0	0	0	1	0	0	<i>Fee and User Charges</i>
2	8	0	2	0	0	0	1	0	1	Fees and User Charges
2	8	0	3	0	0	0	0	0	0	<i>Recovery of Revenues Written off</i>
2	8	0	3	0	0	0	0	0	1	Tax Revenue
2	8	0	3	0	0	0	0	0	2	Assigned Revenue and Compensation
2	8	0	3	0	0	0	0	0	3	Rental Income from Municipal Properties
2	8	0	3	0	0	0	0	0	4	Fees and User Charges
2	8	0	4	0	0	0	0	0	0	<i>Other Income</i>
2	8	0	4	0	0	0	0	0	1	Other Income
2	8	0	5	0	0	0	0	0	0	<i>Refund of Taxes</i>
2	8	0	5	0	0	0	0	0	1	Property Tax
2	8	0	5	0	0	0	0	0	2	Sewerage Tax
2	8	0	5	0	0	0	0	0	3	Conservancy Tax/Latrine Tax
2	8	0	5	0	0	0	0	0	4	Lightening Tax
2	8	0	5	0	0	0	0	0	5	Education Tax
2	8	0	5	0	0	0	0	0	6	Vehicle Tax
2	8	0	5	0	0	0	0	0	7	Tax on Animals
2	8	0	5	0	0	0	0	0	8	Electricity Tax
2	8	0	5	0	0	0	0	0	9	Professional Tax
2	8	0	5	0	0	0	0	1	0	Pilgrimage Tax
2	8	0	5	0	0	0	0	1	1	Other Taxes
2	8	0	6	0	0	0	0	0	0	<i>Refund of Other-Revenue</i>
2	8	0	6	0	0	0	0	0	1	Fees and User Charges
2	8	0	6	0	0	0	0	0	2	Assigned Revenues
2	8	0	6	0	0	0	0	0	3	Grants
2	8	0	6	0	0	0	0	0	4	Contributions
2	8	0	6	0	0	0	0	0	5	Subsidies
2	8	0	8	0	0	0	0	0	0	<i>Other-Expenses (Bad Debts Etc)</i>
2	8	0	8	0	0	0	0	0	1	Other-Expenses
2	9	0	0	0	0	0	0	0	0	Transfer to Reserve Funds
2	9	0	0	0	0	0	0	0	0	<i>Transfer to Reserve Funds</i>
2	9	0	1	0	0	0	0	0	1	Transfer to Reserve Fund
2	9	0	1	0	0	0	0	0	2	Transfer to Sinking Fund

Accounting Heads – Capital Receipts and Liabilities

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
3	1	0	1	0	0	0	0	0	0	Municipal (General) Fund
3	1	0	1	0	0	0	0	0	0	<i>Municipal Fund</i>
3	1	0	1	0	0	0	0	0	1	Municipal Fund
3	1	0	9	0	0	0	0	0	0	<i>Excess of Income and Expenditure</i>
3	1	0	9	0	0	0	0	0	1	Excess of Income and Expenditure
3	1	1	0	0	0	0	0	0	0	Earmarked Funds
3	1	1	1	0	0	0	0	0	0	<i>Road Fund</i>
3	1	1	1	0	0	0	0	0	1	Road Fund
3	1	1	1	1	0	0	0	0	0	<i>Development Fund</i>
3	1	1	1	1	0	0	0	0	1	Development Fund
3	1	1	1	2	0	0	0	0	0	<i>Sewerage and Drainage Fund</i>
3	1	1	1	2	0	0	0	0	1	Sewerage and Drainage Fund
3	1	1	1	3	0	0	0	0	0	<i>Water Supply Fund</i>
3	1	1	1	3	0	0	0	0	1	Water Supply Fund
3	1	1	1	4	0	0	0	0	0	<i>City Development Fund</i>
3	1	1	1	4	0	0	0	0	1	City Development Fund
3	1	1	5	0	0	0	0	0	0	<i>Sinking Fund</i>
3	1	1	5	0	0	0	0	0	1	Sinking Fund
3	1	1	7	0	0	0	0	0	0	<i>Pension Fund</i>
3	1	1	7	0	0	0	0	0	1	Pension Fund
3	1	1	7	1	0	0	0	0	0	<i>Provident Fund</i>
3	1	1	7	1	0	0	0	0	1	Provident Fund
3	1	1	7	2	0	0	0	0	0	<i>Benevolent Fund</i>
3	1	1	7	2	0	0	0	0	1	Benevolent Fund
3	1	2	0	0	0	0	0	0	0	Reserves
3	1	2	1	0	0	0	0	0	0	<i>Capital Contribution</i>
3	1	2	1	0	0	0	0	0	1	Capital Contribution
3	1	2	1	1	0	0	0	0	0	<i>Capital Reserve</i>
3	1	2	1	1	0	0	0	0	1	Capital Reserve
3	1	2	2	0	0	0	0	0	0	<i>Borrowing Redemption Reserve</i>
3	1	2	2	0	0	0	0	0	1	Borrowing Redemption Reserve
3	1	2	3	0	0	0	0	0	0	<i>Special Fund (Utilized)</i>
3	1	2	3	0	0	0	0	0	1	Special Fund (Utilized)
3	1	2	4	0	0	0	0	0	0	<i>Statutory Reserve</i>
3	1	2	4	0	0	0	0	0	1	Statutory Reserve
3	1	2	5	0	0	0	0	0	0	<i>General Reserve</i>
3	1	2	5	0	0	0	0	0	1	General Reserve
3	1	2	6	0	0	0	0	0	0	<i>Revaluation Reserve</i>
3	1	2	6	0	0	0	0	0	1	Revaluation Reserve
3	2	0	0	0	0	0	0	0	0	Grants, Contributions for specific purposes
3	2	0	1	0	0	0	0	0	0	<i>Central Government</i>
3	2	0	1	0	0	0	0	0	1	13 th Finance commission grant
3	2	0	1	0	0	0	0	0	2	14 th Finance commission grant
3	2	0	1	0	0	0	0	0	3	15 th Finance commission grant
3	2	0	1	0	0	0	0	0	4	SJSRY
3	2	0	1	0	0	0	0	0	5	National Games
3	2	0	1	0	0	0	0	0	6	Central Government- JNNURM
3	2	0	1	0	0	0	0	0	7	Pradhan Mantri Awas Yojna (PMAY)
3	2	0	1	0	0	0	0	0	8	National Urban livelihood Mission

Major Code			Minor Code		Sub Minor Code			Detail Code	Description
3	2	0	1	0	0	0	0	9	Swachh Bharat Mission (SBM)
3	2	0	1	0	0	0	0	1	Smart City Project
3	2	0	1	0	0	0	0	1	New Urban Renewal Mission
3	2	0	1	0	0	0	0	1	Other Central Govt. Grants
3	2	0	2	0	0	0	0	0	<i>State Government</i>
3	2	0	2	0	0	0	0	1	Grant for Road and Drain Developments
3	2	0	2	0	0	0	0	2	Swarn Jayanti Urban Employment Scheme
3	2	0	2	0	0	0	0	3	Improvement for Kachi Basti
3	2	0	2	0	0	0	0	4	Grant for Cheap Flush Toilets
3	2	0	2	0	0	0	0	5	Grant from MLAs for Development
3	2	0	2	0	0	0	0	6	Grant from MP's for Development
3	2	0	2	0	0	0	0	7	Grant for Strengthening of fire Extinguishing
3	2	0	2	0	0	0	0	8	Grant for Equipment under EFC
3	2	0	2	0	0	0	0	9	Grant from State Finance Commission for development scheme
3	2	0	2	0	0	0	0	1	Grant on recommendation of Finance Commission
3	2	0	2	0	0	0	0	1	Grant for Family welfare
3	2	0	2	0	0	0	0	1	Deen Dayal Upadhyaya Sewa Basti Utthan
3	2	0	2	0	0	0	0	1	Kurukshetra Development Board
3	2	0	2	0	0	0	0	1	Urban Solid Waste Management
3	2	0	2	0	0	0	0	1	Training Plan for Woman Councilors
3	2	0	2	0	0	0	0	1	Shifting of Milk Dairies
3	2	0	2	0	0	0	0	1	Rajiv Gandhi Sahari Bhagidari Yojna (RGSBY)
3	2	0	2	0	0	0	0	1	Other Specific Grants
3	2	0	3	0	0	0	0	0	<i>Other Government Agencies</i>
3	2	0	3	0	0	0	0	1	Other Government Agencies
3	2	0	4	0	0	0	0	0	<i>Financial Institutions</i>
3	2	0	4	0	0	0	0	1	Financial Institutions
3	2	0	5	0	0	0	0	0	<i>Welfare Bodies</i>
3	2	0	5	0	0	0	0	1	Welfare Bodies
3	2	0	6	0	0	0	0	0	<i>International Organizations</i>
3	2	0	6	0	0	0	0	1	International Organizations
3	2	0	8	0	0	0	0	0	<i>Other Organizations</i>
3	2	0	8	0	0	0	0	1	Other Organizations
3	3	0	0	0	0	0	0	0	Secured Loans
3	3	0	1	0	0	0	0	0	<i>Loans from Central Government</i>
3	3	0	1	0	0	0	0	1	Loans from Central Government
3	3	0	2	0	0	0	0	0	<i>Loans from State Government</i>
3	3	0	2	0	0	0	0	1	Loans from State Government
3	3	0	3	0	0	0	0	0	<i>Loan from Government Bodies and Associations</i>
3	3	0	3	0	0	0	0	1	Loan from Government Bodies and Associations
3	3	0	4	0	0	0	0	0	<i>Loan from International Agencies</i>
3	3	0	4	0	0	0	0	1	Asian Development Bank
3	3	0	4	0	0	0	0	2	Others
3	3	0	5	0	0	0	0	0	<i>Loan from Banks and Other Financial Institutions</i>
3	3	0	5	0	0	0	0	1	Haryana Shahri Vikas Pradikaran
3	3	0	5	0	0	0	0	2	Others
3	3	0	6	0	0	0	0	0	<i>Other term Loans</i>
3	3	0	6	0	0	0	0	1	Other term loans
3	3	0	6	0	0	0	0	2	Hire-Purchase
3	3	0	7	0	0	0	0	0	<i>Bonds and Debentures</i>
3	3	0	7	0	0	0	0	1	Bonds and Debentures
3	3	0	8	0	0	0	0	0	<i>Other Loans</i>

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
3	3	0	8	0	0	0	0	0	1	Other Loans
3	3	1	0	0	0	0	0	0	0	Unsecured Loans
3	3	1	1	0	0	0	0	0	0	<i>Loans from Central Government</i>
3	3	1	1	0	0	0	0	0	1	Loans from Central Government
3	3	1	2	0	0	0	0	0	0	<i>Loans from State Government</i>
3	3	1	2	0	0	0	0	0	1	Loans from State Government
3	3	1	3	0	0	0	0	0	0	<i>Loan from Government Bodies and Associations</i>
3	3	1	3	0	0	0	0	0	1	Loan from Government Bodies and Associations
3	3	1	4	0	0	0	0	0	0	<i>Loan from International Agencies</i>
3	3	1	4	0	0	0	0	0	1	Loan from International Agencies
3	3	1	5	0	0	0	0	0	0	<i>Loan from Banks and Other Financial Institutions</i>
3	3	1	5	0	0	0	0	0	1	Loan from Banks and Other Financial Institutions
3	3	1	6	0	0	0	0	0	0	<i>Other term Loans</i>
3	3	1	6	0	0	0	0	0	1	Hire Purchase Loans
3	3	1	7	0	0	0	0	0	0	<i>Bonds and Debentures</i>
3	3	1	7	0	0	0	0	0	1	Bonds and Debentures
3	3	1	8	0	0	0	0	0	0	<i>Other Loans</i>
3	3	1	8	0	0	0	0	0	1	Other Loans
3	4	0	0	0	0	0	0	0	0	Deposits Received
3	4	0	1	0	0	0	0	0	0	<i>From Contractors and Suppliers</i>
3	4	0	1	0	0	0	0	0	1	Earnest Money Deposit
3	4	0	1	0	0	0	0	0	2	Security Deposit
3	4	0	1	0	0	0	0	0	3	Tender Money Deposit
3	4	0	2	0	0	0	0	0	0	<i>Deposits-Revenues</i>
3	4	0	2	0	0	0	0	0	1	Water Connection
3	4	0	2	0	0	0	0	0	2	Electricity Connection
3	4	0	2	0	0	0	0	0	3	Rental Deposits
3	4	0	2	0	0	0	0	0	4	License Deposits
3	4	0	2	0	0	0	0	0	5	Others
3	4	0	3	0	0	0	0	0	0	<i>Deposits-Staff</i>
3	4	0	3	0	0	0	0	0	1	Deposits-Staff
3	4	0	8	0	0	0	0	0	0	<i>Deposits-Other</i>
3	4	0	8	0	0	0	0	0	1	Deposits-Other
3	4	1	0	0	0	0	0	0	0	Deposits Works
3	4	1	1	0	0	0	0	0	0	<i>Civil Works</i>
3	4	1	1	0	0	0	0	0	1	Civil Works
3	4	1	2	0	0	0	0	0	0	<i>Electric Works</i>
3	4	1	2	0	0	0	0	0	1	Electric Works
3	4	1	8	0	0	0	0	0	0	<i>Other works</i>
3	4	1	8	0	0	0	0	0	1	Other Works
3	5	0	0	0	0	0	0	0	0	Other Liabilities (Sundry Creditors)
3	5	0	1	0	0	0	0	0	0	<i>Creditors</i>
3	5	0	1	0	0	0	0	0	1	Suppliers Control Accounts
3	5	0	1	0	0	0	0	0	2	Contractors Control Accounts
3	5	0	1	0	0	0	0	0	3	Expenses Payables
3	5	0	1	0	0	0	0	0	4	Payables against Funds
3	5	0	1	0	0	0	0	0	5	Payables against Grants
3	5	0	1	0	0	0	0	0	6	Payables against Specific Scheme
3	5	0	1	0	0	0	0	0	7	Contractors Advance Control account
3	5	0	1	1	0	0	0	0	0	<i>Employee Liabilities</i>
3	5	0	1	1	0	0	0	0	1	Gross Salary Payable
3	5	0	1	1	0	0	0	0	2	Net Salary Payable
3	5	0	1	1	0	0	0	0	3	Unpaid Salaries Payable

Major Code			Minor Code		Sub Minor Code			Detail Code		Description	
3	5	0	1	1	0	0	0	0	4	P. F. Payable	
3	5	0	1	1	0	0	0	0	5	Pension/Pension Contribution Payable	
3	5	0	1	1	0	0	0	0	6	Gratuity Payable	
3	5	0	1	1	0	0	0	0	7	Contribution to Welfare fund Payable	
3	5	0	1	1	0	0	0	0	8	Leave Salary Payable	
3	5	0	1	1	0	0	0	0	9	P.F. Payable for Deputation staff	
3	5	0	1	1	0	0	0	1	0	Pension Contribution Payable for Deputation staff	
3	5	0	1	2	0	0	0	0	0	Interest Accrued and due	
3	5	0	1	2	0	0	0	0	1	Interest Accrued and due on Hire-Purchases	
3	5	0	1	2	0	0	0	0	2	Interest Accrued and due on Loans	
3	5	0	2	0	0	0	0	0	0	Recoveries Payable	
3	5	0	2	0	0	0	0	0	1	Provident fund for employees on Deputation	
3	5	0	2	0	0	0	0	0	2	Good and Service Tax	
3	5	0	2	0	0	0	0	0	3	Professional Tax	
3	5	0	2	0	0	0	0	0	4	Work-Contract tax payable	
3	5	0	2	0	0	0	0	0	5	TDS From Employees	
3	5	0	2	0	0	0	0	0	6	TDS From Contractors	
3	5	0	2	0	0	0	0	0	7	TDS From Suppliers	
3	5	0	2	0	0	0	0	0	8	LIC Payable	
3	5	0	2	0	0	0	0	0	9	Group Insurance Scheme Premium Payable	
3	5	0	2	0	0	0	0	1	0	Sales Tax Payable	
3	5	0	2	0	0	0	0	1	1	Works Contract Taxes	
3	5	0	2	0	0	0	0	1	2	CGST	
3	5	0	2	0	0	0	0	1	3	SGST	
3	5	0	2	0	0	0	0	1	4	IGST	
3	5	0	2	0	0	0	0	1	5	Other Taxes	
3	5	0	3	0	0	0	0	0	0	Government Dues Payable	
3	5	0	3	0	0	0	0	0	1	Health Cess	
3	5	0	3	0	0	0	0	0	2	Education Cess	
3	5	0	3	0	0	0	0	0	3	Court Attachments	
3	5	0	3	0	0	0	0	0	4	Commercial Taxes	
3	5	0	3	0	0	0	0	0	5	TDS payable	
3	5	0	3	0	0	0	0	0	6	Other Deductions	
3	5	0	4	0	0	0	0	0	0	Refunds Payable	
3	5	0	4	0	0	0	0	0	1	Refunds Payable for taxes	
3	5	0	4	0	0	0	0	0	2	Refund Payable for Revenue Grants	
3	5	0	4	0	0	0	0	0	3	Refund Payable for Deposit Works	
3	5	0	4	0	0	0	0	0	4	Refund Payable for Attached Properties	
3	5	0	4	0	0	0	0	0	5	Refund Payable for Water Supply	
3	5	0	4	0	0	0	0	0	6	Refund Payable for rent	
3	5	0	4	0	0	0	0	0	7	Refund Payable for specific grants	
3	5	0	4	0	0	0	0	0	8	Refund Payable for Octrai	
3	5	0	4	0	0	0	0	0	9	Refund Payable for Cess	
3	5	0	4	1	0	0	0	0	0	Advance Collection of Revenues	
3	5	0	4	1	0	0	0	0	1	Advance Collection of Property tax	
3	5	0	4	1	0	0	0	0	2	Advance Collection of Rental Income	
3	5	0	4	1	0	0	0	0	3	Advance Collection of Water Charges	
3	5	0	4	1	0	0	0	0	4	Advance Collection of Fees and User Charges	
3	5	0	4	1	0	0	0	0	5	Advance Collection of Advertisement Charges	
3	5	0	4	1	0	0	0	0	6	Advance Collection of Water Supply Income	
3	5	0	8	0	0	0	0	0	0	Others	
3	5	0	8	0	0	0	0	0	1	Compensation Payable by Municipalities	
3	5	0	8	0	0	0	0	0	2	Stale Cheques	

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
3	5	0	8	0	0	0	0	0	3	Hire Purchase Charges payable
3	5	0	8	0	0	0	0	0	4	Lease Charges Payable
3	5	0	8	0	0	0	0	0	5	Hire Purchase Interest Receivable Control account
3	5	0	8	0	0	0	0	0	6	Hire Purchase Advance Received
3	5	0	9	0	0	0	0	0	0	<i>Sale Proceeds</i>
3	5	0	9	0	0	0	1	0	0	Fixed Assets
3	5	0	9	0	0	0	0	0	1	Fixed Assets
3	5	0	9	0	0	0	2	0	0	Stores
3	5	0	9	0	0	0	0	0	1	Stores
3	5	0	9	0	0	0	3	0	0	Investments
3	5	0	9	0	0	0	3	0	1	Investments
3	5	0	9	0	0	0	4	0	0	Others
3	5	0	9	0	0	0	4	0	1	Attached properties
3	5	0	9	0	0	0	4	0	2	Others
3	6	0	0	0	0	0	0	0	0	Provisions
3	6	0	1	0	0	0	0	0	0	<i>Provisions for Expenses</i>
3	6	0	1	0	0	0	0	0	1	Rent Rates and Taxes
3	6	0	1	0	0	0	0	0	2	Office-Maintenance
3	6	0	1	0	0	0	0	0	3	Communication Expenses
3	6	0	1	0	0	0	0	0	4	Books and Periodicals
3	6	0	1	0	0	0	0	0	5	Printing and Stationary
3	6	0	1	0	0	0	0	0	6	Traveling and Conveyance
3	6	0	1	0	0	0	0	0	7	Insurance
3	6	0	1	0	0	0	0	0	8	Audit-Fees
3	6	0	1	0	0	0	0	0	9	Legal Expenses
3	6	0	1	0	0	0	0	1	0	Professional and other Fees
3	6	0	1	0	0	0	0	1	1	Advertisement and Publicity
3	6	0	1	0	0	0	0	1	2	Membership and Subscriptions
3	6	0	1	0	0	0	0	1	3	Power and Fuel
3	6	0	1	0	0	0	0	1	4	Hire-Charges
3	6	0	1	0	0	0	0	1	5	Repair and Maintenance-Statues and Heritage Assets
3	6	0	1	0	0	0	0	1	6	Repair and Maintenance -Infrastructure Assets
3	6	0	1	0	0	0	0	1	7	Repair and Maintenance -Civic Amenities
3	6	0	1	0	0	0	0	1	8	Repair and Maintenance -Buildings
3	6	0	1	0	0	0	0	1	9	Repair and Maintenance -Vehicles
3	6	0	1	0	0	0	0	2	0	Repair and Maintenance -Others
3	6	0	1	0	0	0	0	2	1	Other Operating and Maintenance-Expenses
3	6	0	2	0	0	0	0	0	0	<i>Provision For Interest</i>
3	6	0	2	0	0	0	0	0	1	Loans from Central Government
3	6	0	2	0	0	0	0	0	2	Loans from State Government
3	6	0	2	0	0	0	0	0	3	Loan from Government Bodies and Associations
3	6	0	2	0	0	0	0	0	4	Loan from International Agencies
3	6	0	2	0	0	0	0	0	5	Loan from Banks and Other Financial Institutions
3	6	0	2	0	0	0	0	0	6	Other term Loans
3	6	0	2	0	0	0	0	0	7	Bonds
3	6	0	2	0	0	0	0	0	8	Debentures
3	6	0	2	0	0	0	0	0	9	Interest Accrued but not Due
3	6	0	3	0	0	0	0	0	0	<i>Provision For Other Assets</i>
3	6	0	3	0	0	0	0	0	1	Stores
3	6	0	3	0	0	0	0	0	2	Investments
3	6	0	3	0	0	0	0	0	3	Others

Account Heads – Capital Expenditure and Assets

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	1	0	0	0	0	0	0	0	0	Fixed assets
4	1	0	1	0	0	0	0	0	0	Land
4	1	0	1	0	0	0	0	0	1	Grounds
4	1	0	1	0	0	0	0	0	2	Open Markets
4	1	0	1	0	0	0	0	0	3	Parks
4	1	0	1	0	0	0	0	0	4	Garden
4	1	0	1	0	0	0	0	0	5	Vacant Lands
4	1	0	1	0	0	0	0	0	6	Lands under Permissive Possession
4	1	0	2	0	0	0	0	0	0	Buildings
4	1	0	2	0	0	0	0	0	1	Office Buildings
4	1	0	2	0	0	0	0	0	2	School Buildings
4	1	0	2	0	0	0	0	0	3	Community Center
4	1	0	2	0	0	0	0	0	4	Municipal halls, shops, town halls
4	1	0	2	0	0	0	0	0	5	Hospitals and Dispensaries
4	1	0	2	0	0	0	0	0	6	Public Conveniences
4	1	0	2	0	0	0	0	0	7	Park Buildings
4	1	0	2	0	0	0	0	0	8	Pumping Station Building
4	1	0	2	0	0	0	0	0	9	Sewerage Treatment Plant Building
4	1	0	2	2	0	0	0	0	0	Statues, heritage assets, antiques and other works of art
4	1	0	2	2	0	0	0	0	1	Statues, heritage assets, antiques and other works of art
4	1	0	3	0	0	0	0	0	0	Roads and Bridges
4	1	0	3	0	0	0	0	0	1	Roads and Pavements-Concrete
4	1	0	3	0	0	0	0	0	2	Roads and Pavements-Black topped
4	1	0	3	0	0	0	0	0	3	Roads and Pavements-Others
4	1	0	3	0	0	0	0	0	4	Bridges
4	1	0	3	0	0	0	0	0	5	Subways
4	1	0	3	0	0	0	0	0	6	Culverts
4	1	0	3	0	0	0	0	0	7	Flyovers
4	1	0	3	1	0	0	0	0	0	Sewerage and Drainage
4	1	0	3	1	0	0	0	0	1	Drains-Open
4	1	0	3	1	0	0	0	0	2	Drains- Underground
4	1	0	3	2	0	0	0	0	0	Water Ways
4	1	0	3	2	0	0	0	0	1	Water Pipelines
4	1	0	3	2	0	0	0	0	2	Deep Tube wells
4	1	0	3	2	0	0	0	0	3	Water Tanks
4	1	0	3	2	0	0	0	0	4	Bore Wells
4	1	0	3	2	0	0	0	0	5	Open Wells
4	1	0	3	2	0	0	0	0	6	Reservoirs
4	1	0	3	3	0	0	0	0	0	Public Lighting
4	1	0	3	3	0	0	0	0	1	Lamp Posts
4	1	0	3	3	0	0	0	0	2	Transformers
4	1	0	3	3	0	0	0	0	3	Others
4	1	0	4	0	0	0	0	0	0	Plant and Machinery
4	1	0	4	0	0	0	0	0	1	Water treatment plants
4	1	0	4	0	0	0	0	0	2	Water pumping plants
4	1	0	4	0	0	0	0	0	3	Sewerage treatment plants
4	1	0	4	0	0	0	0	0	4	Sewerage pumping station
4	1	0	4	0	0	0	0	0	5	Hospital machinery
4	1	0	4	0	0	0	0	0	6	Motor Pumps
4	1	0	4	0	0	0	0	0	7	School Equipments

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	1	0	4	0	0	0	0	0	8	Vaccum Emptier
4	1	0	5	0	0	0	0	0	0	<i>Vehicles</i>
4	1	0	5	0	0	0	0	0	1	Ambulances
4	1	0	5	0	0	0	0	0	2	Buses
4	1	0	5	0	0	0	0	0	3	Cars
4	1	0	5	0	0	0	0	0	4	Jeeps
4	1	0	5	0	0	0	0	0	5	Motor Cycles
4	1	0	5	0	0	0	0	0	6	Trucks
4	1	0	5	0	0	0	0	0	7	Tankers
4	1	0	5	0	0	0	0	0	8	Lorry
4	1	0	5	0	0	0	0	0	9	Tractors
4	1	0	5	0	0	0	0	1	0	Mini Lorry
4	1	0	6	0	0	0	0	0	0	<i>Office and Other Equipments</i>
4	1	0	6	0	0	0	0	0	1	Computers and Printers
4	1	0	6	0	0	0	0	0	2	Xerox-Machines
4	1	0	6	0	0	0	0	0	3	Type-Writers
4	1	0	6	0	0	0	0	0	4	Communication Equipment's
4	1	0	6	0	0	0	0	0	5	Refrigerators
4	1	0	6	0	0	0	0	0	6	Public address systems
4	1	0	6	0	0	0	0	0	7	Wireless Equipment's
4	1	0	6	0	0	0	0	0	8	T.V. Sets
4	1	0	6	0	0	0	0	0	9	Air conditioners
4	1	0	6	0	0	0	0	1	0	Water Coolers
4	1	0	6	0	0	0	0	1	1	Fax Machine
4	1	0	6	0	0	0	0	1	2	Radios
4	1	0	7	0	0	0	0	0	0	<i>Furniture, Fixtures, Fittings and Electric Appliances</i>
4	1	0	7	0	0	0	0	0	1	Cabinets
4	1	0	7	0	0	0	0	0	2	Cupboards
4	1	0	7	0	0	0	0	0	3	Chairs
4	1	0	7	0	0	0	0	0	4	Tables
4	1	0	7	0	0	0	0	0	5	Fans
4	1	0	7	0	0	0	0	0	6	Electric Fittings and installations
4	1	0	7	0	0	0	0	0	7	Others
4	1	0	8	0	0	0	0	0	0	<i>Other Fixed Assets</i>
4	1	0	8	0	0	0	0	0	1	Software License fees
4	1	0	9	0	0	0	0	0	0	<i>Assets Under Disposal</i>
4	1	0	9	0	0	0	0	0	1	Land
4	1	0	9	0	0	0	0	0	2	Buildings
4	1	0	9	0	0	0	0	0	3	Parks and Playgrounds
4	1	0	9	0	0	0	0	0	4	Roads and Bridges
4	1	0	9	0	0	0	0	0	5	Sewerage and Drainage
4	1	0	9	0	0	0	0	0	6	Water Ways
4	1	0	9	0	0	0	0	0	7	Public Lighting
4	1	0	9	0	0	0	0	0	8	Plant and Machinery
4	1	0	9	0	0	0	0	0	9	Vehicles
4	1	0	9	0	0	0	0	1	0	Office and other Equipments
4	1	0	9	0	0	0	0	1	1	Furniture, Fixtures, Fittings and Electric Appliances
4	1	1	0	0	0	0	0	0	0	<i>Accumulated Depreciation</i>
4	1	1	2	0	0	0	0	0	0	<i>Buildings</i>
4	1	1	2	0	0	0	0	0	1	Office buildings
4	1	1	2	0	0	0	0	0	2	School buildings
4	1	1	2	0	0	0	0	0	3	Hospitals and dispensaries
4	1	1	2	0	0	0	0	0	4	Public conveniences

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	1	1	2	0	0	0	0	0	5	Municipal halls, shops, town halls
4	1	1	2	0	0	0	0	0	6	Park Buildings
4	1	1	2	0	0	0	0	0	7	Pumping Station Building
4	1	1	2	0	0	0	0	0	8	Sewerage treatment Plant Building
4	1	1	3	0	0	0	0	0	0	<i>Roads and Bridges</i>
4	1	1	3	0	0	0	0	0	1	Roads and Pavements-Concrete
4	1	1	3	0	0	0	0	0	2	Roads and Pavements-black topped
4	1	1	3	0	0	0	0	0	3	Roads and Pavements –Others
4	1	1	3	0	0	0	0	0	4	Bridges
4	1	1	3	0	0	0	0	0	5	Subways
4	1	1	3	0	0	0	0	0	6	Culverts
4	1	1	3	0	0	0	0	0	7	Flyovers
4	1	1	3	1	0	0	0	0	0	<i>Sewerage and Drainage</i>
4	1	1	3	1	0	0	0	0	2	Drains-Open
4	1	1	3	1	0	0	0	0	3	Drains-Under Ground
4	1	1	3	2	0	0	0	0	0	<i>Water Ways</i>
4	1	1	3	2	0	0	0	0	1	Water Pipelines
4	1	1	3	2	0	0	0	0	2	Deep Tube wells
4	1	1	3	2	0	0	0	0	3	Water tanks
4	1	1	3	2	0	0	0	0	4	Bore Wells
4	1	1	3	2	0	0	0	0	5	Open Wells
4	1	1	3	2	0	0	0	0	6	Reservoirs
4	1	1	3	3	0	0	0	0	0	<i>Public Lighting</i>
4	1	1	3	3	0	0	0	0	1	Lamp posts
4	1	1	3	3	0	0	0	0	2	Transformers
4	1	1	3	3	0	0	0	0	3	Others
4	1	1	4	0	0	0	0	0	0	<i>Plant and Machinery</i>
4	1	1	4	0	0	0	0	0	1	Water treatment plants
4	1	1	4	0	0	0	0	0	2	Water pumping plants
4	1	1	4	0	0	0	0	0	3	Sewerage treatment plants
4	1	1	4	0	0	0	0	0	4	Sewerage pumping station
4	1	1	4	0	0	0	0	0	5	Hospital machinery
4	1	1	4	0	0	0	0	1	6	Motor Pumps
4	1	1	4	0	0	0	0	1	7	School Equipments
4	1	1	4	0	0	0	0	1	8	Vacuum Emptier
4	1	1	5	0	0	0	0	0	0	<i>Vehicles</i>
4	1	1	5	0	0	0	0	0	1	Ambulances
4	1	1	5	0	0	0	0	0	2	Buses
4	1	1	5	0	0	0	0	0	3	Cars
4	1	1	5	0	0	0	0	0	4	Jeeps
4	1	1	5	0	0	0	0	0	5	Motor Cycles
4	1	1	5	0	0	0	0	0	6	Trucks
4	1	1	5	0	0	0	0	0	7	Tankers
4	1	1	5	0	0	0	0	0	8	Lorry
4	1	1	5	0	0	0	0	0	9	Tractors
4	1	1	5	0	0	0	0	1	0	Mini Lorry
4	1	1	6	0	0	0	0	0	0	<i>Office and Other Equipments</i>
4	1	1	6	0	0	0	0	0	1	Computers and Printers
4	1	1	6	0	0	0	0	0	2	Xerox-Machines
4	1	1	6	0	0	0	0	0	3	Type-Writers
4	1	1	6	0	0	0	0	0	4	Communication Equipments
4	1	1	6	0	0	0	0	0	5	Refrigerators
4	1	1	6	0	0	0	0	0	6	Public address systems

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	1	1	6	0	0	0	0	0	7	Wireless equipments
4	1	1	6	0	0	0	0	0	8	T.V. sets
4	1	1	6	0	0	0	0	0	9	Air conditioners
4	1	1	6	0	0	0	0	1	0	Water Coolers
4	1	1	6	0	0	0	0	1	1	Radios
4	1	1	7	0	0	0	0	0	0	<i>Furniture, Fixtures, Fittings and Electric Appliances</i>
4	1	1	7	0	0	0	0	0	1	Cabinets
4	1	1	7	0	0	0	0	0	2	Cupboards
4	1	1	7	0	0	0	0	0	3	Chairs
4	1	1	7	0	0	0	0	0	4	Tables
4	1	1	7	0	0	0	0	0	5	Fans
4	1	1	7	0	0	0	0	0	6	Electric Fittings and installations
4	1	1	8	0	0	0	0	0	0	<i>Other Fixed Assets</i>
4	1	1	8	0	0	0	0	0	1	Software License fees
4	1	2	0	0	0	0	0	0	0	Capital Work-in-progress
4	1	2	1	0	0	0	0	0	0	<i>Specific Grants</i>
4	1	2	1	0	0	0	0	0	1	Buildings
4	1	2	1	0	0	0	0	0	2	Parks and Playgrounds
4	1	2	1	0	0	0	0	0	3	Statues, heritage assets, antiques and other works of art
4	1	2	1	0	0	0	0	0	4	Roads and Bridges
4	1	2	1	0	0	0	0	0	5	Sewerage and Drainage
4	1	2	1	0	0	0	0	0	6	Water Ways
4	1	2	1	0	0	0	0	0	7	Public Lighting
4	1	2	1	0	0	0	0	0	8	Plant and Machinery
4	1	2	2	0	0	0	0	0	0	<i>Specific Funds</i>
4	1	2	2	0	0	0	0	0	1	Buildings
4	1	2	2	0	0	0	0	0	2	Parks and Playgrounds
4	1	2	2	0	0	0	0	0	3	Statues, heritage assets, antiques and other works of art
4	1	2	2	0	0	0	0	0	4	Roads and Bridges
4	1	2	2	0	0	0	0	0	5	Sewerage and Drainage
4	1	2	2	0	0	0	0	0	6	Water Ways
4	1	2	2	0	0	0	0	0	7	Public Lighting
4	1	2	2	0	0	0	0	0	8	Plant and Machinery
4	1	2	3	0	0	0	0	0	0	<i>Specific Schemes</i>
4	1	2	3	0	0	0	0	0	1	Buildings
4	1	2	3	0	0	0	0	0	2	Parks and Playgrounds
4	1	2	3	0	0	0	0	0	3	Statues, heritage assets, antiques and Other works of art
4	1	2	3	0	0	0	0	0	4	Roads and Bridges
4	1	2	3	0	0	0	0	0	5	Sewerage and Drainage
4	1	2	3	0	0	0	0	0	6	Water Ways
4	1	2	3	0	0	0	0	0	7	Public Lighting
4	1	2	3	0	0	0	0	0	8	Plant and Machinery
4	2	0	0	0	0	0	0	0	0	Investments-General Fund
4	2	0	1	0	0	0	0	0	0	<i>Central Government Securities</i>
4	2	0	1	0	0	0	0	0	1	Central Government Securities
4	2	0	2	0	0	0	0	0	0	<i>State Government Securities</i>
4	2	0	2	0	0	0	0	0	1	State Government Securities
4	2	0	3	0	0	0	0	0	0	<i>Debentures and Bonds</i>
4	2	0	3	0	0	0	0	0	1	Debentures and Bonds
4	2	0	4	0	0	0	0	0	0	<i>Preference Shares</i>
4	2	0	4	0	0	0	0	0	1	Preference Shares
4	2	0	5	0	0	0	0	0	0	<i>Equity Shares</i>
4	2	0	5	0	0	0	0	0	1	Equity Shares

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	2	0	6	0	0	0	0	0	0	<i>Units of Mutual Fund</i>
4	2	0	6	0	0	0	0	0	1	Units of Mutual Fund
4	2	0	8	0	0	0	0	0	0	<i>Other Investments</i>
4	2	0	8	0	0	0	0	0	1	Other Investments
4	2	0	9	0	0	0	0	0	0	<i>Accumulated provision</i>
4	2	0	9	0	0	0	0	0	1	Central Government Securities
4	2	0	9	0	0	0	0	0	2	State Government Securities
4	2	0	9	0	0	0	0	0	3	Debentured and Bonds
4	2	0	9	0	0	0	0	0	4	Preference Shares
4	2	0	9	0	0	0	0	0	5	Equity Shares
4	2	0	9	0	0	0	0	0	6	Units of Mutual Fund
4	2	0	9	0	0	0	0	0	7	Others
4	2	1	0	0	0	0	0	0	0	Investments-Other Fund
4	2	1	1	0	0	0	0	0	0	<i>Central Government Securities</i>
4	2	1	1	0	0	0	0	0	1	Central Government Securities
4	2	1	2	0	0	0	0	0	0	<i>State Government Securities</i>
4	2	1	2	0	0	0	0	0	1	State Government Securities
4	2	1	3	0	0	0	0	0	0	<i>Debentured and Bonds</i>
4	2	1	3	0	0	0	0	0	1	Debentured and Bonds
4	2	1	4	0	0	0	0	0	0	<i>Preference Shares</i>
4	2	1	4	0	0	0	0	0	1	Preference Shares
4	2	1	5	0	0	0	0	0	0	<i>Equity Shares</i>
4	2	1	5	0	0	0	0	0	1	Equity Shares
4	2	1	6	0	0	0	0	0	0	<i>Units of Mutual Fund</i>
4	2	1	6	0	0	0	0	0	1	Units of Mutual Fund
4	2	1	8	0	0	0	0	0	0	<i>Other Investments</i>
4	2	1	8	0	0	0	0	0	1	Other Investments
4	2	1	9	0	0	0	0	0	0	<i>Accumulated provision</i>
4	2	1	9	0	0	0	0	0	1	Central Government Securities
4	2	1	9	0	0	0	0	0	2	State Government Securities
4	2	1	9	0	0	0	0	0	3	Debentured and Bonds
4	2	1	9	0	0	0	0	0	4	Preference Shares
4	2	1	9	0	0	0	0	0	5	Equity Shares
4	2	1	9	0	0	0	0	0	6	Units of Mutual Fund
4	2	1	9	0	0	0	0	0	7	Others
4	3	0	0	0	0	0	0	0	0	Stock-in-hand
4	3	0	1	0	0	0	0	0	0	<i>Stores</i>
4	3	0	1	0	0	0	0	0	1	Central Store
4	3	0	1	0	0	0	0	0	2	Engineering Store
4	3	0	1	0	0	0	0	0	5	Health Store
4	3	0	1	0	0	0	0	0	6	Stationary Store
4	3	0	1	0	0	0	0	0	7	Storm water Store
4	3	0	1	0	0	0	0	0	8	Drainage Store
4	3	0	1	0	0	0	0	0	9	Sewerage Store
4	3	0	1	0	0	0	0	1	0	Sanitary and Conservancy Store
4	3	0	1	0	0	0	0	1	1	Water Supply Store
4	3	0	1	0	0	0	0	1	2	Electricity Store
4	3	0	1	0	0	0	0	1	3	Machinery Spares
4	3	0	2	0	0	0	0	0	0	<i>Loose Tools</i>
4	3	0	2	0	0	0	0	0	1	Loose Tools
4	3	0	8	0	0	0	0	0	0	<i>Others</i>
4	3	0	8	0	0	0	0	0	1	Others
4	3	1	0	0	0	0	0	0	0	Sundry Debtors (Receivables)

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	3	1	1	0	0	0	0	0	0	<i>Receivables for Property Taxes (Year-Wise)</i>
4	3	1	1	0	0	0	0	0	1	Property Tax Receivable on Residential (Current year)
4	3	1	1	0	0	0	0	0	2	Property Tax Receivable on Residential (Arrears)
4	3	1	1	0	0	0	0	0	3	Property Tax Receivable on Commercial (Current year)
4	3	1	1	0	0	0	0	0	4	Property Tax Receivable on Commercial (Arrears)
4	3	1	1	0	0	0	0	0	5	Property Tax Receivable on State government Buildings (Current Year)
4	3	1	1	0	0	0	0	0	6	Property Tax Receivable on State government Buildings (Arrears)
4	3	1	1	0	0	0	0	0	7	Service Charge in lieu of Property Tax of central Government Buildings (Current Year)
4	3	1	1	0	0	0	0	0	8	Service Charge in lieu of Property Tax of central Government Buildings (Arrears)
4	3	1	1	0	0	0	0	0	9	Property Tax Receivable on Vacant Land (Current Year)
4	3	1	1	0	0	0	0	1	0	Property Tax Receivable on Vacant Land (Arrear)
4	3	1	1	0	0	0	0	1	1	Property Tax Receivable on Institutional land (Current Year)
4	3	1	1	0	0	0	0	1	2	Property Tax Receivable on Institutional land (Arrear)
4	3	1	1	0	0	0	0	1	3	Property Tax Receivable on Religious Building (CY)
4	3	1	1	0	0	0	0	1	4	Property Tax Receivable on Religious Building (Arrear)
4	3	1	1	0	0	0	0	1	5	Property Tax on Closed and Sick Industry (Current Year)
4	3	1	1	0	0	0	0	1	6	Property Tax on Closed and Sick Industry (Arrear)
4	3	1	1	0	0	0	0	1	7	Property Tax on Industry under litigation (Current Year)
4	3	1	1	0	0	0	0	1	8	Property Tax on Industry under litigation (Arrear)
4	3	1	1	0	0	0	0	1	9	Surcharge Receivable on Property Tax (Current year)
4	3	1	1	0	0	0	0	2	0	Surcharge Receivable on Property Tax (Arrears)
4	3	1	1	9	0	0	0	0	0	<i>Receivables for Other Taxes</i>
4	3	1	1	9	0	0	0	0	1	Other Taxes
4	3	1	2	0	0	0	0	0	0	<i>Receivables for Cess</i>
4	3	1	2	0	0	0	0	0	1	Receivables for Cess
4	3	1	3	0	0	0	0	0	0	<i>Receivables for Fees and User Charges</i>
4	3	1	3	0	0	0	1	0	0	Receivables for Permission Fee (Advertisement)
4	3	1	3	0	0	0	1	0	1	Permission Fee -Land hoarding (Current year)
4	3	1	3	0	0	0	1	0	2	Permission Fee -Land hoarding (Previous year)
4	3	1	3	0	0	0	1	0	3	Permission Fee -Bus Shelter (Current year)
4	3	1	3	0	0	0	1	0	4	Permission Fee -Bus Shelter (Previous year)
4	3	1	3	0	0	0	1	0	5	Permission Fee -Neon, signs and shops (Current Year)
4	3	1	3	0	0	0	1	0	6	Permission Fee -Neon, signs and shops (Previous Year)
4	3	1	3	0	0	0	1	0	7	Permission Fee on Pvt. land holdings (Current Year)
4	3	1	3	0	0	0	1	0	8	Permission Fee on Pvt. land holdings (Previous Year)
4	3	1	3	0	0	0	1	0	9	Permission Fee on toilets (Current Year)
4	3	1	3	0	0	0	1	1	0	Permission Fee on toilets (Previous Year)
4	3	1	3	0	0	0	1	1	1	Permission Fee on traffic signals, Police booths, Umbrellas (CY)
4	3	1	3	0	0	0	1	1	2	Permission Fee on traffic signals, Police booths, Umbrellas (PY)
4	3	1	3	0	0	0	1	1	3	Permission Fee on Footpaths, railing Poles (Current Year)
4	3	1	3	0	0	0	1	1	4	Permission Fee on Footpaths, railing Poles (Previous Year)
4	3	1	3	0	0	0	1	1	5	Permission Fee on tree guards (Current year)
4	3	1	3	0	0	0	1	1	6	Permission Fee on tree guards (Current year)
4	3	1	3	0	0	0	2	0	0	Receivables for Water Charges
4	3	1	3	0	0	0	2	0	1	Water Charges Receivable on Residential (Current year)
4	3	1	3	0	0	0	2	0	2	Water Charges Receivable on Residential (Arrears)

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	3	1	3	0	0	0	2	0	3	Water Charges Receivable on Commercial (Current year)
4	3	1	3	0	0	0	2	0	4	Water Charges Receivable on Commercial (Arrears)
4	3	1	3	0	0	0	2	0	5	Water Charges Receivable State government (Current Year)
4	3	1	3	0	0	0	2	0	6	Water Charges Receivable State government (Arrears)
4	3	1	3	0	0	0	3	0	0	Receivables for Other Fee and User Charges
4	3	1	3	0	0	0	3	0	1	Receivables for License Fees
4	3	1	3	0	0	0	3	0	2	Registration Fees
4	3	1	3	0	0	0	3	0	3	Other Fee and User Charges
4	3	1	4	0	0	0	0	0	0	Receivables from other Sources
4	3	1	4	0	0	0	0	0	1	Receivables for Rental Income
4	3	1	4	0	0	0	0	0	2	Interest accrued and due
4	3	1	4	0	0	0	0	0	3	Interest accrued and not due
4	3	1	4	0	0	0	0	0	4	Interest Due from loans to employees
4	3	1	4	0	0	0	0	0	5	Interest Due from Advance to employees
4	3	1	4	0	0	0	0	0	6	Lease Rental Receivables
4	3	1	5	0	0	0	0	0	0	Receivables from Government
4	3	1	5	0	0	0	0	0	1	Grants Receivable
4	3	1	5	0	0	0	0	0	2	Compensation
4	3	1	5	0	0	0	0	0	3	Contributions
4	3	1	5	0	0	0	0	0	4	Subsidies
4	3	1	5	0	0	0	0	0	5	Fee on transfer of property
4	3	1	5	0	0	0	0	0	6	Entertainment Tax
4	3	1	5	0	0	0	0	0	7	Cess on GST
4	3	1	5	0	0	0	0	0	8	Stamp Duty Share
4	3	1	5	0	0	0	0	0	9	Motor Vehicle Tax
4	3	1	5	0	0	0	0	1	0	Electricity Tax on Electricity
4	3	1	8	0	0	0	0	0	0	Receivables control accounts
4	3	1	8	0	0	0	0	0	1	Property Tax
4	3	1	8	0	0	0	0	0	2	Water Charge
4	3	1	8	0	0	0	0	0	3	Cess
4	3	1	8	0	0	0	0	0	4	Fees and User Charges
4	3	1	8	0	0	0	0	0	5	Government
4	3	1	8	0	0	0	0	0	6	Rental Income
4	3	1	8	0	0	0	0	0	7	Permission Fee
4	3	1	8	0	0	0	0	0	8	Other Taxes and Fee
4	3	1	9	1	0	0	0	0	0	State Govt. Cesses/levies in Property Tax-Control Account
4	3	1	9	1	0	0	0	0	1	State Govt. Cesses/levies in Property Tax-Control Account
4	3	1	9	2	0	0	0	0	0	State Govt. Cesses/levies in Water Charges-Control Account
4	3	1	9	2	0	0	0	0	1	State Govt. Cesses/levies in Water Charges-Control Account
4	3	1	9	9	0	0	0	0	0	State Govt. Cesses/levies in Other Tax-Control Account
4	3	1	9	9	0	0	0	0	1	State Govt. Cesses/levies in Other Tax-Control Account
4	3	2	0	0	0	0	0	0	0	Accumulated Provisions against Debtors (Receivables)
4	3	2	1	0	0	0	0	0	0	Provision for Outstanding Property Tax
4	3	2	1	0	0	0	0	0	1	Property Tax Receivable on Residential Buildings
4	3	2	1	0	0	0	0	0	2	Property Tax Receivable on Commercial Buildings
4	3	2	1	0	0	0	0	0	3	Property Tax Receivable on State government Buildings
4	3	2	1	0	0	0	0	0	4	Service Charge in lieu of P.Tax of central Government Bldgs

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	3	2	1	0	0	0	0	0	5	Surcharge receivable on Property Tax
4	3	2	1	1	0	0	0	0	0	<i>Provision for Outstanding Water Charges</i>
4	3	2	1	1	0	0	0	0	1	Water Charges Receivable on Residential Buildings
4	3	2	1	1	0	0	0	0	2	Water Charges Receivable on Commercial Buildings
4	3	2	1	1	0	0	0	0	3	Water Charges Receivable on State government Buildings
4	3	2	1	2	0	0	0	0	0	<i>Provision for Outstanding Other Taxes</i>
4	3	2	1	2	0	0	0	0	1	Provision for Outstanding Other Taxes
4	3	2	2	0	0	0	0	0	0	<i>Provision for Outstanding Cess</i>
4	3	2	2	0	0	0	0	0	1	Provision for Outstanding Cess
4	3	2	3	0	0	0	0	0	0	<i>Provision for Outstanding Fees and User Charges</i>
4	3	2	3	0	0	0	0	0	1	License Fees
4	3	2	3	0	0	0	0	0	2	Notice Fees
4	3	2	3	0	0	0	0	0	3	Rental Income from Municipal Properties
4	3	2	3	0	0	0	0	0	4	Other Fee and User Charges
4	3	2	4	0	0	0	0	0	0	<i>Provision for Other Outstanding Receivable</i>
4	3	2	4	0	0	0	0	0	1	Provision for Other Outstanding Receivable
4	3	2	9	1	0	0	0	0	0	<i>State Govt. Cesses/levies in Property Tax-Provision Account</i>
4	3	2	9	1	0	0	0	0	1	State Govt. Cesses/levies in Property Tax-Provision Account
4	3	2	9	2	0	0	0	0	0	<i>State Govt. Cesses/levies in Water Charges-Provision A/c</i>
4	3	2	9	2	0	0	0	0	1	State Govt. Cesses/levies in Water Charges-Provision A/c
4	3	2	9	9	0	0	0	0	0	<i>State Govt. Cesses/levies in Other Tax-Provision Account</i>
4	3	2	9	9	0	0	0	0	1	State Govt. Cesses/levies in Other Tax-Provision Account
4	4	0	0	0	0	0	0	0	0	Pre-Paid Expenses
4	4	0	1	0	0	0	0	0	0	<i>Establishment</i>
4	4	0	1	0	0	0	0	0	1	Salaries, Wages and Bonus
4	4	0	1	0	0	0	0	0	2	Benefits and Allowances
4	4	0	1	0	0	0	0	0	3	Pension
4	4	0	1	0	0	0	0	0	4	Other Terminal and Retirement Benefits
4	4	0	2	0	0	0	0	0	0	<i>Administration</i>
4	4	0	2	0	0	0	0	0	1	Rent, Rates and Taxes
4	4	0	2	0	0	0	0	0	2	Office-Maintenance
4	4	0	2	0	0	0	0	0	3	Communication Expenses
4	4	0	2	0	0	0	0	0	4	Books and Periodicals
4	4	0	2	0	0	0	0	0	5	Printing and Stationary
4	4	0	2	0	0	0	0	0	6	Traveling and Conveyance
4	4	0	2	0	0	0	0	0	7	Insurance
4	4	0	2	0	0	0	0	0	8	Audit-Fees
4	4	0	2	0	0	0	0	0	9	Legal Expenses
4	4	0	2	0	0	0	0	1	0	Professional and other Fees
4	4	0	2	0	0	0	0	1	1	Advertisement and Publicity
4	4	0	2	0	0	0	0	1	2	Membership and Subscriptions
4	4	0	3	0	0	0	0	0	0	<i>Operation and Maintenance</i>
4	4	0	3	0	0	0	0	0	1	Power and Fuel
4	4	0	3	0	0	0	0	0	2	Bulk Purchases
4	4	0	3	0	0	0	0	0	3	Hire-Charges
4	4	0	3	0	0	0	0	0	4	Repair and Maintenance -Infrastructure Assets
4	4	0	3	0	0	0	0	0	5	Repair and Maintenance -Civic Amenities

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	4	0	3	0	0	0	0	0	6	Repair and Maintenance -Buildings
4	4	0	3	0	0	0	0	0	7	Repair and Maintenance -Vehicles
4	4	0	3	0	0	0	0	0	8	Repair and Maintenance -Others
4	4	0	3	0	0	0	0	0	9	Other operating and Maintenance expenses
4	5	0	0	0	0	0	0	0	0	Cash and Bank Balance
4	5	0	1	0	0	0	0	0	0	Cash-in -Hand
4	5	0	1	0	0	0	0	0	1	Cash-in -Hand
4	5	0	2	1	0	0	0	0	0	Nationalized Banks -Municipal Fund
4	5	0	2	1	0	0	0	0	1	Main Bank Account
4	5	0	2	1	0	0	0	0	2	Other Bank Account
4	5	0	2	2	0	0	0	0	0	Other Schedule Banks-Municipal Fund
4	5	0	2	2	0	0	0	0	1	Other Schedule Banks-Municipal Fund
4	5	0	2	3	0	0	0	0	0	Schedule Co-operative Banks -Municipal Fund
4	5	0	2	3	0	0	0	0	1	Schedule Co-operative Banks -Municipal Fund
4	5	0	2	4	0	0	0	0	0	Post Office -Municipal Fund
4	5	0	2	4	0	0	0	0	1	Post Office -Municipal Fund
4	5	0	4	1	0	0	0	0	0	Nationalized Banks -Special Funds
4	5	0	4	1	0	0	0	0	1	Nationalized Banks -Special Funds
4	5	0	4	2	0	0	0	0	0	Other Schedule Banks-Special Funds
4	5	0	4	2	0	0	0	0	1	Other Schedule Banks-Special Funds
4	5	0	4	3	0	0	0	0	0	Schedule Co-operative Banks -Special Funds
4	5	0	4	3	0	0	0	0	1	Schedule Co-operative Banks -Special Funds
4	5	0	4	4	0	0	0	0	0	Post Office -Special Funds
4	5	0	4	4	0	0	0	0	1	Post Office -Special Funds
4	5	0	6	1	0	0	0	0	0	Nationalized Banks -Grant Funds
4	5	0	6	1	0	0	0	0	1	Nationalized Banks -Grant Funds
4	5	0	6	2	0	0	0	0	0	Other Schedule Banks-Grant Funds
4	5	0	6	2	0	0	0	0	1	Other Schedule Banks-Grant Funds
4	5	0	6	3	0	0	0	0	0	Schedule Co-operative Banks -Grant Funds
4	5	0	6	3	0	0	0	0	1	Schedule Co-operative Banks -Grant Funds
4	5	0	6	4	0	0	0	0	0	Post Office -Grant Funds
4	5	0	6	4	0	0	0	0	1	Post Office -Grant Funds
4	6	0	0	0	0	0	0	0	0	Loans, Advances and Deposits
4	6	0	1	0	0	0	0	0	0	Loans and Advances to employees
4	6	0	1	0	0	0	0	0	1	House Building Advance
4	6	0	1	0	0	0	0	0	2	Conveyance Advance
4	6	0	1	0	0	0	0	0	3	Computer Advance
4	6	0	1	0	0	0	0	0	4	Festival Advance
4	6	0	1	0	0	0	0	0	5	Vehicle Advance
4	6	0	1	0	0	0	0	0	6	Food Grain Advance
4	6	0	2	0	0	0	0	0	0	Employee PF Loans/NPS Fund Loans
4	6	0	2	0	0	0	1	0	0	Loan from Provident Fund
4	6	0	2	0	0	0	1	0	1	Housing Loan
4	6	0	2	0	0	0	1	0	2	Vehicle Loan
4	6	0	2	0	0	0	2	0	0	Loan from New Pension Scheme Fund
4	6	0	2	0	0	0	2	0	1	Loan from New Pension Scheme Fund
4	6	0	3	0	0	0	0	0	0	Loans to Others
4	6	0	3	0	0	0	0	0	1	Loans to Others
4	6	0	4	0	0	0	0	0	0	Advance to Suppliers and Contractors
4	6	0	4	0	0	0	0	0	1	Advance for Municipal Works
4	6	0	4	0	0	0	0	0	2	Advance for Stores
4	6	0	4	0	0	0	0	0	3	Material Issued to the Contractors
4	6	0	4	0	0	0	0	0	4	Advance for Hire-Purchase assets

Major Code			Minor Code		Sub Minor Code			Detail Code		Description
4	6	0	4	0	0	0	0	0	5	Advance to Suppliers and Contractors – Others
4	6	0	5	0	0	0	0	0	0	<i>Advance to Others</i>
4	6	0	5	0	0	0	0	0	1	Permanent Advance
4	6	0	5	0	0	0	0	0	2	Temporary Advance
4	6	0	5	0	0	0	0	0	3	Advance Against Projects
4	6	0	5	0	0	0	0	0	4	Advance against Grants
4	6	0	5	0	0	0	0	0	5	Advance against Schemes
4	6	0	6	0	0	0	0	0	0	<i>Deposits with External Agencies</i>
4	6	0	6	0	0	0	0	0	1	Telephone Deposit
4	6	0	6	0	0	0	0	0	2	Electricity Deposit
4	6	0	6	0	0	0	0	0	3	Water Deposit
4	6	0	8	0	0	0	0	0	0	<i>Other Current Assets</i>
4	6	0	8	0	0	0	0	0	1	H.P. installments Receivable
4	6	0	8	0	0	0	0	0	2	Interest Receivable on Loans
4	6	0	8	0	0	0	0	0	3	Interest Receivable on Advances
4	6	0	8	0	0	0	0	0	4	Scheme Expenses
4	6	1	0	0	0	0	0	0	0	Accumulated Provisions against Loans, Advances and deposits
4	6	1	1	0	0	0	0	0	0	<i>Loans to Others</i>
4	6	1	1	0	0	0	0	0	1	Loans to Others
4	6	1	2	0	0	0	0	0	0	<i>Advances</i>
4	6	1	2	0	0	0	0	0	1	Advances
4	6	1	3	0	0	0	0	0	0	<i>Deposits</i>
4	6	1	3	0	0	0	0	0	1	Deposits
4	7	0	0	0	0	0	0	0	0	<i>Other Assets</i>
4	7	0	1	0	0	0	0	0	0	<i>Deposit works –Expenditure</i>
4	7	0	1	0	0	0	0	0	1	Civil
4	7	0	1	0	0	0	0	0	2	Electrical
4	7	0	2	0	0	0	0	0	0	<i>Inter Unit Transactions</i>
4	7	0	2	0	0	0	0	0	1	Inter Unit Transactions –AU
4	8	0	1	0	0	0	0	0	0	<i>Loan Issue Expenses</i>
4	8	0	1	0	0	0	0	0	1	Loan Issue Expenses
4	8	0	2	0	0	0	0	0	0	<i>Discount on Issue of Loans</i>
4	8	0	2	0	0	0	0	0	1	Discount on Issue of Loans
4	8	0	3	0	0	0	0	0	0	<i>Other</i>
4	8	0	3	0	0	0	0	0	1	Loss on Issue of Debt Securities
4	8	0	3	0	0	0	0	0	2	Unamortized Discount on Issue of Debt Securities

3.12 Simplified Definitions:

- **Revenue Income:** Money or money equivalent earned or accrued during an accounting period, increasing the total of previously existing net assets, and arising from provision of any type of services and rentals.
- **Revenue Expenses:** A cost relating to the operations of an accounting period or to the revenue earned during the period or the benefits of which do not extend beyond that period.
- **Capital Receipt and Liabilities:** Any amount owing by one person to another, payable in money, or in goods or services, the consequence of an asset or service received, or a loss incurred or accrued.
- **Capital Expenditure and Assets:** Tangible objects or intangible rights owned by the Urban Local Bodies (Municipalities) and carrying probable future benefits. In simple terms the properties used in the operation or investment activities of a business.

3.13 Sample Accounting Entries:

3.13.1 Recording of demand raised on existing assessments:

Code of Account	Accounting Entry (Illustrative Heads)	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
431-10-000-	Receivable for Property Taxes (Year)	Dr.	75,500		Journal Book, Ledger
110-01-000-01	To Property Tax – Residential	Cr.		25,000	
110-01-000-02	To Property Tax – Commercial	Cr.		32,500	
140-16-000-01	To Water Charge-Residential	Cr.		6,500	
110-04-000-01	To Latrine Tax	Cr.		8,000	
110-90-002-11	To Others	Cr.		3,500	

3.13.2 Recording of income: Suppose a Municipality has earned income on registration charges on dogs and sale of Birth Certificate. The Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	To be entered into
1	2	3	4	5	6
450-21-000-01	Main Bank Account*	Dr.	25,000		Cash Book, Ledger
140-10-000-08	To Registration on Dogs (Fees and User) Charges	Cr.		15,000	
150-11-000-09	To Birth Certificate Forms (Sale and Hire) Charges	Cr.		10,000	

3.13.3 Recording of salary, allowances and corresponding liability: For recognizing the expense under various heads and the liability to the employees (staff) in respect of gross salaries, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	To be entered into
1	2	3	4	5	6
210-10-000-02	Establishment Expenses –Salary and Allowances of staff	Dr.	35,000		Journal Book, Ledger
350-11-000-01	To Employee Liabilities – Gross Salaries Payable	Cr.		35,000	

3.13.4 Recording of purchase of Fixed Assets: To record the purchase of the Fixed Asset, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
410-10-000-05	Fixed Assets-Purchase of Vacant Land	Dr.	00,000		Journal Book, Ledger
350-10-000-01	To Creditors -Suppliers Account	Cr.		00,000	
340-10-000-02	To Contractor /Suppliers –Security Deposit	Cr.		0,000	
460-40-000-05	To Advance to Suppliers and contractors	Cr.		0,000	

CHAPTER-4**GENERAL ACCOUNTING PROCEDURE****4.1 Introduction**

This chapter discusses the Books of Accounts to be maintained and the General Accounting Procedures to be followed by the Municipality under the accrual-based accounting system.

4.2 Books of Accounts

Books of Accounts shall be maintained separately for each financial year. Haryana Municipal Corporation Act 1994 (16 of 1994), Haryana Municipal Act 1973 (24 of 1973) and Financial Rules followed by the State shall be followed in preparation of books of accounts. The following are the primary Books of Accounts that shall be maintained at the Municipality:

- (a) **Cash Book (Form GEN-1)** shall be the Book of Original Entry for recording transactions involving cash and/or bank. The Cash Book may also be referred to as the Cash and Bank Book. The Cash Book has two sides, viz., "Receipt" and "Payment". All collections on behalf of the Municipality shall be recorded on the "Receipt" side and all payments shall be recorded on the "Payment" side. Separate Cash Books shall be maintained in respect of each bank account. Designated Bank Accounts may be operated for deposit of collections pertaining to Property and Other Taxes, Water Supply, Municipal Works, Special Funds etc., as has been provided in the applicable rules and regulations. Format of Cash Book is provided in Form GEN – 1.
- (b) **Journal Book (Form GEN-2)** shall be the book of original entry for recording all transactions other than those involving cash and/or bank. A non-cash/ bank transaction is first recorded in the Journal Book by dividing into its debit and credit aspects, from which a posting is done in the relevant ledger account. Recording of income in respect of Property and Other Taxes Bills raised, recording of liability on receipt of supplier's bills are examples of transactions, which shall be first recorded in the Journal Book. Format of Journal Book is provided in Form GEN – 2.
- (c) **Ledger (Form GEN-3)** shall be a book that shall contain all the accounts as specified in the Chart of Accounts. The Ledger has two sides, viz., "Debit" (Dr.) and "Credit" (Cr.). The head of account which is "Debited" while recording the accounting entry in the Journal Book (Form GEN-2) or which is recorded on the "Payment" side of the Cash Book (Form GEN-1) shall be posted on the "Debit" side of the Ledger. Similarly, the head of account which is "Credited" while recording the accounting entry in the Journal Book or which is recorded on the "Receipt" side of the Cash Book shall be posted on the "Credit" side of the Ledger. Each entry in the Cash Book and the Journal Book shall have a posting in the Ledger (except transactions relating to deposit into or withdrawal of cash from bank or transfer of amount from one bank account to another). The Ledger shall provide a listing of all the transactions in respect of a head of account during an accounting period. The posting of the entries from the books of original entry to the Ledger has been explained later in this chapter. Format of Ledger is provided in GEN-3.

4.3 Accounting Documents

Vouchers prepared at the Municipality shall form the base documents for recording the transactions in the Books of Original Entry. The vouchers shall be numbered serially. The accounting documents to be prepared by the Municipality are described below:

- (a) **Cash/Bank Receipt Voucher (Form GEN-4)** shall be the document prepared for recording receipt entries in the Cash Book. The Cash Receipt Voucher shall be prepared for receipts in cash; and the Bank Receipt Voucher for receipts by cheques, demand drafts, banker's cheques, etc., which need to be deposited in the bank for realization. Separate series of numbers shall be maintained for cash transactions and for each bank account. For example, the Bank Receipt Vouchers in respect of Bank Account A and B may have the series BRV-A-1 onwards and BRV-B-1 onwards respectively.
- (b) **Cash/Bank Payment Voucher (Form GEN-5)** shall be the document prepared for recording payment entries in the Cash Book. Separate series of numbers shall be maintained for cash transactions and for each bank account. For example, the Bank Payment Vouchers in respect of Bank Account M and N may have the series BPV-M-1 onwards and BPV-N-1 onwards respectively.
- (c) **Contra Voucher (Form GEN-6)** shall be the document prepared for recording transactions involving deposit of cash into the bank, withdrawal of cash from bank or transfer of amount from one bank to another.
- (d) **Journal Voucher (Form GEN-7)** shall be the document prepared for recording entries in the Journal Book. These entries shall not involve any cash/bank related transactions.

4.4 Other Registers/Forms

The specific books of accounts, forms and registers to be maintained at various Branches of the Municipality are defined in the Code depending on the rules and regulations governing them. However, inputs required from various branches for recording the transactions are prescribed in the subsequent chapters. Some of the other general registers and forms which shall be required to be maintained are provided in Table below:

GENERAL REGISTERS AND FORMS

Serial Number	Name of the Form	Form Number
1	2	3
1	Cash Book	GEN-1
2	Journal Book	GEN-2
3	Ledger	GEN-3
4	Receipt Voucher	GEN-4
5	Payment Voucher	GEN-5
6	Contra Voucher	GEN-6
7	Journal Voucher	GEN-7
8	Receipt	GEN-8
9	Receipt Register	GEN-9
10	Statement on Status of Cheques Received	GEN-10
11	Collection Register	GEN-11
12	Summary of Daily Collection	GEN-12
13	Register of Bills for Payment	GEN-13
14	Payment Order	GEN-14
15	Cheque/Instrument Issue Register	GEN-15
16	Register of Advance	GEN-16
17	Register of Permanent Advance	GEN-17
18	Deposit Register	GEN-18
19	Summary Statement of Deposit Adjusted	GEN-19
20	Demand Register	GEN-20
21	Notice/Bill	GEN-21
22	Summary Statement of Bills Raised	GEN-22
23	Register of Notice Fee, Warrant Fee, Other Fee	GEN-23
24	Summary Statement of Notice Fee, Warrant Fee, Other Fee	GEN-24
25	Register of Refunds, Remissions and Write-offs	GEN-25
26	Summary Statement of Refunds and Remissions	GEN-26
27	Summary Statement of Write-Offs	GEN-27
28	Statement of Outstanding Liability for Expense	GEN-28
29	Document Control Register/Stock Account of Receipt/Cheque Book	GEN-29
30	Register of Immovable Property	GEN-30
31	Register of movable Property	GEN-31
32	Register of Land	GEN-32
33	Function-wise Income Subsidiary Ledger	GEN-33
34	Function-wise Expense Subsidiary Ledger	GEN-34
35	Asset Replacement Register	GEN-35
36	Register of Public lighting System	GEN-36
37	Grant Register	GEN-37
38	Register of Civil Suits	GEN-38
39	Register of Decrees	GEN-39
40	Register of Miscellaneous Sales	GEN-40
41	Summary Statement of Status of Capital Work-in Progress/ Deposit Work/Delegated Loan	GEN-41
42	Register of Stores	GEN-42
43	Detailed Bill of Other Expenditure Bill	GEN-43
44	Register of Interest on loans or Advances to Employees	GEN-44
45	Register of Investment	GEN-45

4.5 Procedure for Income Accounting

4.5.1 Accrual Income Accounting

Authentic information shall be called for accounting of income on accrual basis. From serving of bill to collection, provisioning, write off and change in demand accounting procedures and information needs have been explained below:

Activity	Information from Revenue Branch	Form	Accounting Entry
1	2	3	4
Serving of Demand (Bill)	Copy of Demand served shall be kept in Serial Order. Particulars of each Demand shall be entered in demand Register maintained by the branch concerned. Demand Register shall be maintained ward wise. Demand Register shall contain demand (bill) particulars, amount bifurcation for each component of demand and total amount. Summarization of these registers shall be done at periodic intervals ideally once in a month. Information in Format GEN-22 on Monthly basis shall be furnished to the Accounts Branch.	GEN-22 (Monthly)	On receipt of summary statement of bills raised in format GEN-22 from the concerned Sections, accounting entry (Journal Voucher) for accruing income shall be passed. As per Accounting rules mentioned in the Different Chapters of this Code following Accounting Entry shall be passed Debit- Receivables A/C (Personal A/C- Debit the receiver of money/Services/Goods) Credit- Income A/C (Nominal A/C-Credit Income or gains) Narration: (Being the _____ receivable for the Month/Half Year/Year of _____ accounted as per the Statement enclosed)
Collection	Each collection shall be entered in Demand Registers against the Demand Bill. Daily collections shall be remitted to the Cashier/ Shroff after verification of Income Auditor. Information in format GEN-9 Receipt Register on daily basis shall be furnished to the Accounts Branch.	GEN-9 (Receipt Register)	Daily Collection information furnished by the cashier/Shroff shall be verified with the Income Auditor as per information furnished in GEN-9 Receipt Register. Cash Receipt Voucher and Bank Receipt Voucher shall be passed for each collection point based on the information furnished in (GEN - 12) after cross verification with GEN-9. Deviation between these reports shall be intimated to the concerned branches. Debit Cash/Bank A/c (Real Account-What comes in) Credit Receivable A/c (Personal Account - Credit the giver) Narration (Being amount collected at _____ collection point against _____ demand on _____)
Bounced Cheques	Collection entries shall be reversed in the Revenue Register based on the bounced Cheques information received	GEN-10 (Daily)	Bounced cheques shall be collected from the bank on daily basis.

Activity	Information from Revenue Branch	Form	Accounting Entry
	from Accounts Branch in format GEN- 10. Notice shall be issued to the person who issued the cheque. Steps shall be initiated to realize the amount.		<p>Bounced cheques information shall be entered in Cheques Register – GEN-10</p> <p>Bounced Cheques information shall be prepared Section wise/ward wise on daily basis. Bounced Cheques and GEN-10 shall be forwarded to the Branch concerned.</p> <p>Following Accounting Entry Shall be passed</p> <p>Debit – Bank Charges A/c (Nominal Account – Debit all exp and Losses)</p> <p>Credit – Bank A/c (Personal Account – Credit the Giver)</p> <p>Debit – Receivable A/c (Personal Account – Debit the receiver)</p> <p>Credit – Bank A/c (Real Account – Credit what goes out)</p> <p>Narration (Being the reversal of Bounced Cheques Amount on _____)</p> <p>Credit – Bank Charges A/c (Nominal Account- Expenses transferred to Real Account)</p>
Provision	Demand balances shall be arrived on periodic intervals. Monthly GEN-20 shall be prepared showing summary of uncollected bills with year-wise bifurcation.	GEN-21 (Monthly)	<p>On receipt of GEN-20, the Section shall calculate provision in accordance with the accounting policies.</p> <p>The Provision against the uncollected bills shall be provided at the end of each month.</p> <p>Following Journal voucher shall be passed:</p> <p>Debit Provision for Doubtful Receivables A/c</p> <p>(Nominal Account – Debit expenditure or losses)</p> <p>Credit Accumulated Provision for Doubtful Receivables A/c</p> <p>(Real Account – Credit what goes out)</p> <p>Narration (Being the provision on doubtful receivables provided for the month of _____)</p> <p>Exact reverse entry shall be passed to reduce the excess</p>

Activity	Information from Revenue Branch	Form	Accounting Entry
			provision created if any in earlier period.
Write Off	Demand served and collection not possible shall be written off with the approval of appropriate authority based on the information received from the concerned Branch.	GEN-20	Based on the proposal for write off received in Form GEN-20, Accounts Branch shall make necessary entries. Following Journal Voucher shall be passed. Debit Income Written Off A/c (Nominal Account – Debit expenditure or losses) Credit Receivables A/c (Real Account – Credit what goes out) Narration (Being the _____ Receivable written off as per the statement enclosed).

4.5.2 Procedure for Income Accounting on Collection

Where there is no proper system of raising demand, then income shall be accounted on collection basis. These transactions are like providing service or goods against collection.

Concerned Branches shall maintain collection registers and enter full particulars. Procedures and information needs for accounting of collection-based income has been explained below:

Activity	Information from Revenue Branch	Form	Accounting Entry
1	2	3	4
Collection	Each collection shall be entered in Demand Registers. Daily collections shall be remitted to the Cashier/Shroff after verification of Income Auditor Information in Format GEN-12 on daily basis shall be furnished to the Accounts Branch.	GEN-12 (Daily)	Daily collection information furnished by the Cashier/Shroff shall be verified with the Income Auditor as per information furnished in GEN-12. Summary of Cash Receipt Voucher and Bank Receipt Voucher shall be passed for each collection point based on the information furnished in GEN-12 after cross verification with GEN-9 Receipt Register. Deviation between these reports shall be intimated to the concerned branches. Debit Cash/Bank A/c (Real Account-What comes in) Credit Respective Income A/c (Nominal – Credit income and gains) Narration (Being amount collected at _____ collection point on _____).

4.6 Procedure for Accounting of Collections

The collections in respect of the receipts of the Municipality may be made at Collection Offices/counters (i.e. at the CFC, Head Office, Circle Office, Ward Offices, Branches, Single-Window, etc.) or at other Collection Centres (i.e. branches of Designated Banks, e-Seva Centres, other Collection Centres and Online). The general procedure for the receipt, deposit and accounting of the collections shall be as follows:

- (a) **Collections at Centres:** For receipt of cash or any amount received in the form of cheques/draft, a Receipt, duly signed and dated shall be issued in Form GEN-8. In cases where the payer has to submit Bills/ Challans, one copy shall be returned to the payer along with the Receipt. All cash/ cheques/ drafts received shall be recorded in a Receipt Register, maintained in Form GEN-9. Receipt Register shall be maintained in perforated sheets, so that the second copy may be used by the cashier of the Municipality for depositing with Bank. GEN-8 issued electronically shall be sufficient for the purpose of record keeping or fulfilment of all statutory requirements.
- (b) **Deposit of Amount Collected:** The amount collected (cash, cheques as well as drafts) in the circle/ward office by the Cashiers shall be deposited with Head Office of Municipality or designated bank account. The Cashier in the Head Office accounts for the amount and deposit in the designated bank account. The deposit shall be made in designated bank account on the same day or on the next working day.
- (c) **Collections at Collection Centres:** The Collection Centre receiving cash/cheque/draft shall issue a Receipt (Form GEN-8) to acknowledge the receipt of cash/cheque/draft. The receiving Collection Centre shall record the receipts in the Receipt Register maintained in Form GEN-9. The amount collected (cash, cheques as well as drafts) in the collection centers shall be deposited with Head Office of Municipality or designated bank account.
- (d) **Entry in Collection Register:** The collection offices and Collection centres shall record the particulars of each Receipt issued in the Collection Register, maintained account head wise in Form GEN-11, on a daily basis. This Collection Register shall be maintained in triplicate, where one copy may be sent to the concerned Branch along with one copy of the Bill/Challan collected, if any, one may be sent to the Accounts Branch and other one will be retained as book copy.
- (e) **Preparation of Summary of Daily Collection:** Based on the details from the Collection Register, the collection offices shall prepare a Summary of Daily Collection in Form GEN-12. The Summary of Daily Collection is a covering sheet that provides a summary of the total revenues collected by the Collection Office/Centre.
- (f) **Collection at Branches of Designated Banks directly from the Payers:** The officers designated for the purpose of coordinating with the branches collecting the receipts directly from the payers, shall also prepare a Summary of Daily Collection in Form GEN-12.
- (g) **Preparation of Bank Receipt Voucher:** The Accounts Branch shall prepare a Bank Receipt Voucher (Form GEN-4) and pass the entry for recording the collections based on the Summary of Daily Collection (Form GEN-12) received.

For example, the following entry shall be passed in respect of receipt of Security Deposit received by cheque and deposited in Main Bank Account:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
450-21-000-01	Main Bank A/c	Dr.	10,000		Cash Book and Ledger
340-10-000-02	To Contractor's Security Deposit Account	Cr.		10,000	

- (h) **Entry in Cash Book:** In practice, the above entry shall be passed in the Main Cash Book (Form GEN-1), in the "Bank" column on the "Receipt" side, as follows:

Cash Book of _____ Name of Municipality (Main)

RECEIPT

Serial Number	Date	Rept. Vchr. No.	Code of Account	Particulars of Receipt	L/F	Cash Amount (₹)	Bank Amount (₹)
1	2	3	4	5	6	7	8
	xx/xx/xxxx		340-10-000-02	To Deposit Contractor's Security Deposit A/c			10,000

PAYMENT

Serial Number	Date	Pymt. Vchr. No.	Code of Account	Particulars of Payment	L/F	Cash Amount (₹)	Bank Amount (₹)
9	10	11	12	13	14	15	16

(Extracted Cash Book)

- (i) **Posting in the Ledger:** From the Cash Book, a posting shall be made to the Ledger (Form GEN-3) in the "Deposit from Contractors – Security Deposit" Account on the "Credit" side, as shown below:

Tax Revenue Items Account

Date	Code of Account	Particulars	L/F	Amount (₹)	Date	Code of Account	Particulars	L/F	Amount (₹)
1	2	3	4	5	6	7	8	9	10
					xx/xx/xxxx	450-21-000-01	By Main Bank A/c		10,000

- (j) Similarly, collections in respect of Property and Other Taxes shall be accounted for as follows:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
450-21-000-01	Main Bank A/c	Dr.	25,000		Cash Book and Ledger
431-80-000-01	To Receivable Control Account-Property Tax (Property)	Cr.		25,000	

In practice, the above entry shall be passed in the relevant Cash Book (Form GEN-1), in the "Bank" column on the "Receipt" side and posted to the Ledger (Form GEN-3), as follows:

Cash Book of _____ (Name of Bank)

RECEIPT**PAYMENT**

Serial Number	Date	Rept. Vchr. No.	Code of Account	Particulars of Receipt	L/F	Cash Amount (₹)	Bank Amount (₹)
1	2	3	4	5	6	7	8
	xx/xx/xxxx		431-80-000-01	To Receivable Control Account-Property Tax (Property)			25,000
Serial Number	Date	Pymt. Vchr. No.	Code Account of	Particulars of Payment	L/F	Cash Amount (₹)	Bank Amount (₹)
9	10	11	12	13	14	15	16

(Extracted Cash Book)

Receivable Control Account

Date	Code of Account	Particulars	L/F	Amount (₹)	Date	Code of Account	Particulars	L/F	Amount (₹)
					xx/xx/xxxx	450-21-000-01	By Main Bank A/C		25,000

- (k) **Updating of Subsidiary Ledgers:** The Accounts Branch shall maintain separate Subsidiary Ledger for each of the Major Heads of Income in Form GEN-33. The Subsidiary Ledgers shall provide function-wise break-up of above-mentioned income earned/received by the Municipality on a daily basis. Separate folios shall be maintained for each function within the Subsidiary Ledger for recording incomes in respect of each function. When some income is earned, it shall be first recorded in the Cash Book on the receipt side or in the Journal from bills submitted by the concerned Branches. Thereafter, the entry will be posted to the credit of the appropriate income account in the Main Ledger. Simultaneously, the amount shall also be recorded in the folio for the concerned function in the Subsidiary Ledger under the respective income column.
- (l) This is illustrated with reference to the Function – Health Branch which have received from various type of heads as listed below:

Day 1

License Fee :	₹ 1,000
Registration fee from patients:	₹ 500
Sale of medicines:	₹10,000

Day 2

X-ray and pathology charges:	₹ 2,000
Sale of Tender forms:	₹ 500
Receipt of Malaria Control Grant:	₹ 5,000

- (m) The folio for the Revenue in the Subsidiary Ledger shall provide for separate columns for various major heads on Income for which the incomes are received. The details of income received, after being posted in the general ledger, shall be posted in the relevant Subsidiary Ledger as follows:

Function Wise Income Subsidiary Ledger**Function: Health**

Date	Ref. No.	Particulars	Total Amount (₹)	Income (₹)		
				Revenue Grants	Fees and User Charges	Sale and Hire Charges
1	2	3	4	5	6	7
xx.xx.xxxx	1	License Fees	1,000		1,000	
	2	Registration Fees from Patients	500		500	
	3	Birth and Death Fees	10,000		10,000	
	4	X-Ray and Pathology Charges	2,000		2,000	
	5	Sale of Forms	500			500
	6	Malaria Control Grant	5,000	5,000		
		Total for the Month	19,000	5,000	13,500	500
		Cumulative total at the beginning of the Month	2,000	1,200	600	200
		Cumulative total at the end of the Month	21,000	6,200	14,100	700

- (n) Each of the above entries shall be first posted in the respective ledger accounts in the Main Ledger. Thus, the Main Ledger will be a complete record from which a Trial Balance shall be prepared. However, for ascertaining function-wise details, the Subsidiary Ledger will need to be referred.
- (o) Summary of major code wise income for each function may be prepared from the Subsidiary Ledgers in the format given in the Part-II of this Account Code.

Summary of Major Head Wise Income

Serial Number	Function Code	Function Head	Total Income (₹)	Major Heads of Income (₹)		
				Revenue Grants	Fees and User Charges	Sale and Hire Charges
1	2	3	4	5	6	7
1	30	Health	19,000	5,000	13,500	500
2	20	Public Works				
3	50	Civic Amenities				
		Total for the major Heads of Income	19,000	5,000	13,500	500

- (p) Summary total of major heads of Income prepared as stated above must agree with the major income head-wise schedules prepared from Trial Balance.
- (q) Updating of details regarding cheques/ drafts deposited: The realization/return of the cheques/drafts shall be followed up with the bank. The details of the realization/non-realization of the cheques/drafts shall be updated in the Receipt Register (Form GEN-9) and communicated to the concerned officer for follow-up action. The details shall be intimated to the Accounts Branch by the Collection Office/Centre who has actually deposited the cheques and coordinating with the bank, through a Statement on Status of Cheques Received (Form GEN-10).
- (r) Based on the Statement on Status of Cheques Received (Form GEN-10), and in case the cheque is dishonoured, the Accounts Branch shall reverse the entry passed in "g" above i.e., on preparation of Bank Receipt Voucher.

e.g., Security Deposit received by cheque and deposited in Main Bank Account is dishonoured. The Accounts Branch shall pass the following entry for reversal of receipt.

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
340-10-000-02	Deposit Contractors - Security Deposit	Dr.	10,000		Cash Book and Ledger
450-21-000-01	To Main Bank A/c	Cr.		10,000	

- (s) Subsidiary Ledgers shall be adequately updated for the reversal entry to be passed in respect of Fees and User Charges and Sale and Hire Charges due to dishonour of cheques. An administrative charge (as per Municipality operations Code/guidelines) is normally levied on the dishonoured cheques.
- (t) Transfer of Funds from One Bank Account to Other Bank Account: Transfers from one Bank account to another shall be governed by the applicable rules. On the basis of the cheque prepared for the transfer or on the basis of the bank intimation received, in case of standing instructions being given to the banks for transfer of funds, the Accounts Branch shall prepare a Contra Voucher (Form GEN-6). Accounting entries relating to this is explained below under 'Accounting for Contra entries.'

4.7 Procedure for Expenditure Accounting

- 4.7.1 **Preparation of Bill for payment:** On the basis of work completed as per rules, a bill shall be prepared and sent for payment. The amount of security deposit, income tax deducted at source, works contract, tax and any other recovery or deduction, including recovery for supply of material by the Stores and money advanced to the contractor, shall be specified in the Bill. Running bills are submitted during the

progress of work. Certificate shall be annexed to the final bill. Specimen of the certificate is given at the end of the chapter.

- 4.7.2 Recording of Contractor's bill in respect of Original Work:** On receipt of the processed bill, the particulars are entered in a Register of Bills for Payment in Form GEN-13. To record the liability in respect of contractor's bill for Original Works undertaken for roads and bridges, the following entry shall be passed:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
412-30-000-04	Capital WIP-Road Development A/c	Dr.	50,000		Journal Book and Ledger
350-10-000-02	To Creditors-Contractors A/c	Cr.		44,000	
340-10-000-02	To Contractors-Security Deposit	Cr.		2,500	
460-40-000-05	To Advance to Contractors	Cr.		500	
350-20-000-06	To TDS from Contractors Bills	Cr.		1,000	
350-20-000-15	To Recoveries payable-Other Tax	Cr.		1,500	
460-40-000-03	To Advance to Contractors-Material issued to Contractors	Cr.		500	

The Capital Work-In-Progress Account shall be a Control Account wherein details of expenditure incurred on capital projects shall be recorded. Separate Capital Work-in-Progress Control Accounts shall be opened for Civil, Electrical, Water Works and Other projects.

At period-end, the Branches incurring expenditure on capital projects shall submit a Summary Statement of Status on Capital Work-in-Progress in Form MW-17 (refer Chapter Municipal Works) detailing total expenditure incurred till date on each of the capital projects. The details of total expenditure incurred on each of the capital projects shall be collated from the Work Sheet in Form MW-18 (refer Chapter Municipal Works).

The Contractors Control Account shall be a Control Account in which the liability for amount payable to various contractors for works executed shall be credited and the amount paid shall be debited.

- 4.7.3 Recording of Payment made to Contractors:** The procedure to be followed for approval of a contractor's bill for payment and making payment shall be the same as provided in Chapter General Accounting Procedures. The Accounts Branch shall, on receipt of Payment Order in Form GEN-14 together with the Work Sheet and Contract Completion Certificate, where applicable, after making the payment, enter the details of the payment in the Work Sheet in Form MW-18 (refer Chapter Municipal Works) and pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
350-10-000-02	Creditors-Contractors A/c	Dr.	44,000		Cash Book and Ledger
450-21-000-01	To Main Bank A/c	Cr.		44,000	

- 4.7.4 Recording of payment of TDS Payable and Works Contract Tax Payable:** The income tax and works contract tax deducted from the bills of the contractors shall be paid by the Accounts Branch to the concerned authorities as and when due as per the relevant laws in force. On payment of Income Tax and Works Contract Tax deducted, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
350-20-000-06	Recoveries payable-TDS from Contractors	Dr.	1,500		Cash Book and Ledger
350-20-000-15	Recoveries payable (Others)	Dr.	1,000		
450-21-000-01	To Main Bank A/c _____	Cr.		2,500	

4.7.5 Recording of difference between the Stores Issue Rate and Recovery Rate for material issued to Contractors: The Accounts Branch shall determine the difference between the Stores Issue Rate and the Recovery Rate for material issued to Contractors. To record the difference, the Accounts Branch shall pass either entry (a) or entry (b) given below:

- (a) In case of favourable Rate Variance, where Stores Issue Rate is less than Recovery Rate with the Contractor for materials issue:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
460-40-000-03	Materials issued to Contractors A/C	Dr.	5,000		Journal Book and Ledger
412-30-000-04	To Capital W.I.P.-Roads	Cr.		5,000	

- (b) Insert Detailed Head Code of Account as applicable.

- (c) In case Adverse Rate Variance, where Stores Issue Rate is greater than Recovery rate from the Contractor for materials issue:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
412-30-000-04	To Capital Work-in progress - Roads A/C	Dr.	5,000		Journal Book and Ledger
460-40-000-03	Materials issued to Contractors A/C	Cr.		5,000	

4.8 Procedure for Accounting of Payments: The general procedure in respect of payments, which shall be applicable for all payments made by the Municipality including payment of supplier's/ contractor's bills, refund of taxes, payment of advance, refund of deposits, investments made, loan repayments, etc., is described below:

- Receipt of bills/claims:** The bills or claims against the Municipality shall be received at the various branches of the Municipality or at the Accounts Branch as per the procedures laid down for Municipality in this behalf. The concerned Branch shall verify the bills/claims received. On satisfactory verification, the bills/claims shall be entered into the Register of Bills for Payment, maintained in Form GEN-13.
- Preparation of Payment Order:** On approval of the payment by the concerned authorities at the respective branches, the branch shall forward the bills to the Accounts Branch for payment. Payment is made through Payment Order (Form GEN-14). Accounts Branch after passing the bill shall send the bill to the Local Audit for Pre-Audit.
- Bill Passing/Approval of bills:** Engineering Branch/Intending Branch shall verify and ensure the following relating to a Payment order before forwarding the bills to Local Audit for pre-audit:
 - whether the supporting documents such as invoices, bills, etc. are stamped with 'certified for payment' and signed by the authorities of the concerned Branch;
 - whether adequate budget provision/appropriation is available under the particular head.

- (iii) whether evidence of entry into Purchase/Fixed Assets/Investments Register with folio and reference numbers are attached/ available;
- (iv) whether work work/job completion certificate is received and a copy is attached with the Payment Voucher in the case of release of Security or other Caution Deposits relating to construction or acquisition of fixed assets;
- (v) whether a copy of the purchase order with update of items / stocks received along with the reference to goods in good condition / satisfactory condition as per specification receipt/ gate pass note, etc. is attached with the payment voucher;
- (vi) further, physical verification of the concerned registers such as fixed assets/stocks/investments, etc. may also be carried out to ensure that the bills under 'payment order' are entered in the registers.
- (d) In case of any queries in the process of verification of 'payment order' explained above, including non-reference to the relevant folio/page number of the Stock/Masurement Book or Fixed Asset Register or Register of Bills for Payment, the same shall be noted on the Payment Order and shall be returned to the respective Branch.
- (e) The concerned Branch shall resolve the query raised (as specified in para (d) above), make the necessary changes in the Payment Order and other registers/forms, if required, and forward the documents back to the Bill Passing authority for review of the revised payment order.
- (f) Forwarding for Payment: After satisfactory verification of the payment order and its supporting, the Payment Order shall be released for payment.
- (g) On approval of payment, entry shall be made in the Register of Bills for Payment maintained at Accounts Branch (Form GEN-13). Journal Voucher shall also be prepared.
- (h) **Preparation of Cash/Bank Payment Voucher:** A Cash/Bank Payment Voucher (Form GEN-5) shall be prepared for payment and verified.
- (i) **Preparation of Cheque:** On verification of the Cash/Bank Payment Voucher, a cheque shall be prepared. The person preparing the cheque shall mention the date of the cheque. An entry of the cheque prepared shall be made in the Cheque/Instrument Issue Register, maintained in Form GEN-15.
- (j) **Payment Instrument/Digital Payments:** The authorized signatories shall sign the cheque, Cash/Bank Payment Voucher and Cheque/Payment Instrument Issue Register or authorize any digital payment.

Cheque/Digital Payments shall be signed by both officers as per table exhibit below:

Type of Municipalities	Ist	IInd
1	2	3
All Municipalities	Officer in charge of the Accounts	Chief Municipal Officer

Note: In case of vacancy of post of the Officer In-Charge of the Accounts, Accountant posted in the Municipality is authorized for jointly signing of all the payment instrument.

Explanation: Payment Instrument includes Cheques, NEFT, RTGS etc. .

- (k) **Recording of entry for Payment:** After the signing of the Cash / Bank Payment Voucher, the Accounts Branch shall pass the entry for the payment. For example, the Accounts Branch shall pass the following entry for payment of rent in respect of an office building:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
220-10-000-01	Office Building Rent A/c	Dr.	5,000		Cash Book and Ledger
450-21-000-01	To Main Bank A/c	Cr.		5,000	

- (l) **Entry in Cash Book:** In practice, above entry shall be passed in the Cash Book (Form GEN-1), in the "Bank" column on the "Payment" side, as follows:

Cash Book of _____

RECEIPT

PAYMENT

Serial Number	Date	Rept. Vchr. No.	Code of Account	Particulars of Receipt	L/F	Cash Amount (₹)	Bank Amount (₹)
1	2	3	4	5	6	7	8
Serial Number	Date	Pymt. Vchr. No.	Code of Account	Particulars of Payment	L/F	Cash Amount (₹)	Bank Amount (₹)
9	10	11	12	13	14	15	16
	xx/xx/xxxx		220-10-000-01	By Office Building Rent A/c			5,000

- (m) **Posting in the Ledger:** From the Cash Book, a posting shall be made to the Ledger (Form GEN-3) in the "Rent, Rates and Taxes" Account on the "Debit" side, as shown below:

Rent, Rates and Taxes Account

DR.

CR.

Date	Code of Account	Particulars	L/F	Amount (₹)
1	2	3	4	5
xx/xx/xxxx	450-21-01	To Main Bank A/c		5,000
Date	Code of Account	Particulars	L/F	Amount (₹)
6	7	8	9	10

Similarly, payment made to a contractor towards construction of a building block shall be accounted as follows (separate Cash Book shall be maintained for Designated Municipal Works Bank Account):

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
350-10-000-02	Creditors-Contractors Control A/c	Dr.	1,00,000		Cash Book and Ledger
450-21-000-01	To Main Bank A/c	Cr.		1,00,000	

In practice, the above entry shall be passed in the Municipal Works Cash Book (Form GEN-1), in the "Bank" column on the "Payment" side and posted to the Ledger (Form GEN-3), as follows:

Cash Book of _____ Name of the Municipality (Municipal Works)

RECEIPT PAYMENT

Serial Number	Date	Rept. Vchr. No.	Code of Account	Particulars of Receipt	L/F	Cash Amount (₹)	Bank Amount (₹)
1	2	3	4	5	6	7	8
Serial Number	Date	Pymt. Vchr. No.	Code of Account	Particulars of Payment	L/F	Cash Amount (₹)	Bank Amount (₹)
9	10	11	12	13	14	15	16
	xx/xx/xxxx		350-10-000-01	By Contractors Control A/c			1,00,000

Contractor's Control Account

DR.

CR.

Date	Code of Account	Particulars	L/F	Amount (₹)
1	2	3	4	5
xx/xx/xxxx	450-21-000-01	To Main Bank A/c		1,00,000
Date	Code of Account	Particulars	L/F	Amount (₹)
6	7	8	9	10

- (n) **Updating of Subsidiary Ledgers for Expenditures:** The Accounts Branch shall maintain separate Subsidiary Ledger for each of the Major expense head in Form GEN-34. The Subsidiary Ledgers shall provide function-wise break-up of above-mentioned expenses incurred by the Municipality on a daily basis. Separate folios shall be maintained for each function. When expenditure is incurred, it shall be first recorded in the Cash Book on the payment side or in the credit side of Journal Bill. Thereafter, the entry shall be posted to the credit of the appropriate expense account in the Main Ledger. Simultaneously, the amount shall also be recorded in the folio for the concerned function in the Subsidiary Ledger under the respective expense column.

- (o) This is illustrated with reference to the Function – Municipal Works, which have incurred various types of expenses as listed below:

Day 1

Salary of Staff	₹10,000
Books and Periodicals	₹ 1,000
Consumption of Stores	₹ 3,000

Day 2

Repair to Roads	₹ 20,000
Communication Expenses	₹ 1,000
Computer Consumables	₹ 2,000

- (p) This folio for Expense in the Subsidiary Ledger shall provide for separate columns for various major heads of expenses. The details of expenses incurred, after being posted in the general ledger under the respective expense head, shall be posted in the relevant Subsidiary Ledger as follows:

Function Wise Expenses Subsidiary Ledger

Function:

Date	Ref. No.	Particulars	Total Amount (₹)	Major Head of Expenses		
				Establishment	Administration	Operation and Maintenance
1	2	3	4	5	6	7
xx.xx.xxxx	1	Salaries to Staff	10,000	10,000		
xx.xx.xxxx	2	Books and Periodicals	1,000		1,000	
xx.xx.xxxx	3	Consumption of Stores	3,000			3,000
xx.xx.xxxx	4	Repairs of Roads	20,000			20,000
xx.xx.xxxx	5	Communication	1,000		1,000	
xx.xx.xxxx	6	Expenses	2,000		2,000	
		Computer Consumables				
		Total for the Month	37,000	10,000	4,000	23,000
		Cum. Total at the beginning of the Month	NIL	NIL	NIL	NIL
		Cum. Total at the end of the Month	37,000	10,000	4,000	23,000

(q) Each of the above entries shall be first posted in the respective ledger accounts in the Main Ledger. Thus, the Main Ledger shall be a complete record from which a Trial Balance shall be prepared. However, for ascertaining function-wise details, the Subsidiary Ledger will need to be referred.

(r) Summary of major head wise expenses for each of the functions may be prepared from the Subsidiary Ledgers in the format given below:

Summary of Major Head Wise Expenses

Serial Number	Function Code	Function Head	Total Amount (₹)	Major Head of Expenses		
				Establishment	Administration	Operation and Maintenance
1	2	3	4	5	6	7
1		Municipal Works	37,000	10,000	4,000	23,000
2						
3						
		Total for the Major Heads of Expenses	37,000	10,000	4,000	23,000

(s) Summary total of major heads of Expenses prepared as stated above must agree with the major expenses detailed head wise schedules prepared from Trial Balance.

4.9 Procedure of Accounting for Journal Entries: For transactions other than those involving cash and/or bank, the Accounts Branch shall prepare a Journal Voucher (Form GEN-7) for recording the entry in the Journal Book. The following example illustrates the recording of entry in the Journal Book:

For recording the entry in respect of the raising of demand of Property and Other Taxes, the Accounts Branch shall prepare a Journal Voucher (Form GEN-7) and pass the following entry in the Journal Book (Form GEN-2):

Journal Book of _____ (Name of the Municipality)

Serial Number	Date	Jrnl. Vchr. No.	Code of Account	Particulars	L/F	Debit Amount (₹)	Credit Amount (₹)
1	2	3	4	5	6	7	8
1	xx/xx/xxxx	XXX	431-10-000-01 110-01-000-01	Receivable for Property taxes (Year...) To Property tax-Residential Properties		50,000	50,000

Posting in Ledger

From the Journal Book, a posting shall be made to the Ledger (Form GEN-3) as shown below:

Receivables for Property Tax (Year) Account

Dr.

Cr.

Date	Code of Account	Particulars	Folio	Amount (₹)	Date	Code of Account	Particulars	Folio	Amount (₹)
1	2	3	4	5	6	7	8	9	10
xx/xx/xxxx	110-01-000-01	To Property Tax-Residential Properties		50,000					

Property Tax – Residential Properties Account

Dr.

Cr.

Date	Code of Account	Particular	Folio	Amount (₹)	Date	Code of Account	Particulars	Folio	Amount (₹)
1	2	3	4	5	6	7	8	9	10
					xx/xx/xxxx	431-10-000-01	By Receivable of Property Taxes (Year....)		50,000

The journal entries are also passed for rectification of errors in recording of earlier transactions. For example, if the income in respect of sale of Forms has been taken as Registration Fees from PW contractors:

- (a) The entry which shall have been actually passed, shall be:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
450-21-000-01	Main Bank _____ A/c	Dr.	1,000		Cash Book and Ledger
150-11-000-01	To Sale Forms-Tenders	Cr.		1,000	

If the entry has been wrongly passed as follows:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
450-21-000-01	Main Bank _____ A/c	Dr.	1,000		Cash Book and Ledger
140-10-000-01	To Registration of carts A/c	Cr.		1,000	

- (b) To rectify the above, the Accounts Branch shall prepare a Journal Voucher (Form GEN-7) and pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
140-10-000-01	Registration of Carts A/c	Dr.	1,000		Journal Book and Ledger
150-11-000-01	To sale of Forms-Tender	Cr.		1,000	

- 4.10 Accounting of Permanent/Official Advance:** For Permanent Advance (imprest cash) provided to the various officers/ branches of the Municipality, such payments shall be initially recorded as an advance provided. The details of the expenditure incurred against the advance shall be recorded in a Register of Permanent Advance maintained at the various Branches in Form GEN-17. The details of the other advances given shall be recorded in the Register of Advance maintained in Form GEN-16. The concerned Branch shall prepare Payment Order (Form GEN-14) for replenishment of the Permanent Advance.

Similarly, the employees of the Municipality to whom official advances are provided for incurring expenditure on behalf of the Municipality, shall prepare a Payment Order for the expenditure incurred as soon as the purpose for which the advance was provided is accomplished.

The payment order prepared for expenditure incurred against the Permanent Advance or against the official advance shall be approved in the same manner as the Payment Order prepared for normal expenditure.

- 4.11 Accounting of Bank Charges:** Based on the nature of banking services availed by a Municipality, service charges or transaction processing charges (for example, demand draft commission, outstation cheque clearing charges, etc.) are charged by the Banks.

The Bank, through an Advice, gives details of their charges. Municipalities shall account for the Bank Charges based on the Debit Advice. In the absence of receipt and accounting for bank charges, these shall be listed in the bank reconciliation statements prepared, as items not accounted by the Municipality. Accounting entry for Bank Charges shall be as follows:

Code of Account	Accounting Entry	Dr./Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
240-70-000-01	Bank Charges A/c	Dr.	10,000		Cash Book and Ledger
450-21-000-01	To Main Bank _____ A/c	Cr.		10,000	

- 4.12 Accounting of Stale/Obsolete Instruments:** The validity period of an instrument shall be as specified on expiry of the validity period, in case the instrument has not been realized, it becomes a stale instrument. At period end, the Accounts Branch shall review the Instrument Issue Register (Form GEN-15) and the Bank Reconciliation Statements to identify the cheque, which have become stale. It shall prepare a Bank Receipt Voucher (Form GEN-4) for recording a notional receipt in respect of the stale instrument. The necessary details shall be updated in the Instrument Issue Register (Form GEN-15). In respect of the stale instruments, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
450-21-000-01	Main Bank _____ A/c	Dr.	10,000		Cash Book and Ledger
350-80-000-02	To Liability in respect of stale cheques	Cr.		10,000	

When the instruments are revalidated or a fresh instrument is issued against the stale instrument, the Accounts Branch shall prepare a Bank Payment Voucher (Form GEN-5). After approval and signing of the Bank Payment Voucher by the concerned authority, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
350-80-000-02	Liability in respect of stale cheques A/c	Dr.	10,000		Cash Book and Ledger
450-21-000-01	To Bank _____	Cr.		10,000	

Liability in respect of Stale instrument account shall be reviewed periodically and those Stale instruments which were not revalidated for a period of 6 months from the date of original issue shall be reversed as 'Write back of Liability for Stale Cheques under Other Incomes of the Municipality. Accounts Branch shall pass the following entry for recognition of other income:

Code of Account	Accounting Entry	Dr./Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
350-80-000-02	Other Liability-Liability in respect of stale cheques	Dr.	2,000		Cash Book and Ledger
180-50-000-01	To Unclaimed Liabilities written back-Stale Cheques	Cr.		2,000	

Insert Detailed Head Code of Account as applicable.

- 4.13 General Instructions for Payment:** All payments made by the Accounts Branch shall be recorded in the Cash Book (Form GEN-1) on a daily basis. Payments exceeding ₹ 5000/- or such other sum as may be prescribed by the Rules shall be made only by "Account Payee Crossed" cheque. Any payment exceeding ₹ 20,000 shall be made only by electronics transfer.

All claims against the Municipality, which are barred by time under any provisions of law relating limitation, are ordinarily to be refused and no claim on account of such time barred items is to be paid without the sanction of the Authorities as prescribed in the applicable Act / Rules. This question shall be decided on the merits of each case.

In case of payments made by drafts that are issued by banks through a written instruction other than a cheque, i.e., an authorization letter, etc., the copy of the authorizing document shall be attached to the Payment Order (Form GEN-14). The entry for payments made in this manner shall be recorded on receiving the drafts from the bank. A copy of the draft shall also be attached to the Payment Order. The Bank Charges for the draft shall be collected from the person making the request.

At period end, the officers/ Branches to whom the Permanent Advance is provided shall prepare a Payment Order for the replenishment of the expenditure incurred up to the period end and submit it to the Accounts Branch within 5 days from the end of the period.

In respect of cheques, which are cancelled or lost, the Accounts Branch shall update the Cheque/Instrument Issue Register (Form GEN-15) against the specific cheque numbers. The cheques cancelled shall bear the approval of the authorized signatories on the cheque and in the Cheque/Instrument Issue Register.

State Government shall define the rules and procedures for processing of duplicate bills. However, it shall be ensured that no claim is processed or paid twice, e.g. payment both against original bill and against copies of bills etc.

Municipalities may also bring in additional internal control procedures. Some Municipalities operate centralized cheque issue section for delivery of cheques to the parties. Parties coming to collect cheques need not go to any Branch and instead, collect it from this central cheque issue section.

- 4.14 Accounting for Contra Entries:** Contra entry means an accounting entry that is recorded on both the sides of a Cash Book, showing inflow and outflow of funds at the same time. Contra entries are the entries for recording deposit of cash in the bank, withdrawal of cash from the bank or transfer of funds from one bank to another. For example, cash deposited with bank shall be reflected as inflow in "Bank" Column on "Receipt" side and simultaneously as outflow in "Cash" Column on "Payment" side. Similarly, balances transferred from one bank account to another shall be shown as inflow in "Bank" Column on "Receipt" side in the receiving bank account and simultaneously as outflow in "Bank" Column on "Payment" side in the paying bank account. For recording of a Contra entry, the Accounts Branch shall prepare a Contra Voucher (Form GEN-6). In respect of Contra Entries, the following entries shall be passed:

Code of Account	Accounting Entry	Dr. /Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
For Recording Cash deposited into Bank					
450-21-000-01	Main Bank A/c	Dr.	10,000		Cash Book and Ledger
450-10-000-01	To Cash in Hand	Cr.		10,000	
For Recording Cash Withdrawn from Bank					
450-10-000-01	Cash on Hand	Dr.	10,000		Cash Book and Ledger
450-21-000-01	To Main Bank A/c	Cr.		10,000	
For Recording Transfer of Funds from One Bank to another					
450-21-000-01	Main Bank A/C	Dr.	10,000		Cash Book and Ledger
450-41-000-01	To Bank_____(CDF) A/C	Cr.		10,000	

Contra Entries shall also be recorded for rectification of entries involving cash and/or bank transactions. For example, if the amount deposited in the Designated Property Tax Bank Account has been wrongly debited to Designated City Development Fund Bank Account, then the following entry shall be passed to rectify the error:

Code of Account	Accounting Entry	Dr. /Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
450-21-000-01	Main Bank A/c	Dr.	2,000		Cash Book and Ledger
450-41-000-01	To Bank _____(CDF) A/C	Cr.		2,000	

Cash Book of _____ (Name of the Municipality)

RECEIPT

PAYMENT

Serial Number	Date	Rept. Vchr. No.	Code of Account	Particulars	L/F	Cash Amount (₹)	Bank Amount (₹)
1	2	3	4	5	6	7	8
	xx/xx/xxxx		450-41-000-02	To Bank _____ (CDF) A/C			2,000
Serial Number	Date	Pymt. Vchr. No.	Code of Account	Particulars	L/F	Cash Amount (₹)	Bank Amount (₹)
9	10	11	12	13	14	15	16

Cash Book of _____ (CDF)

RECEIPT

PAYMENT

Serial Number	Date	Rept. Vchr. No.	Code of Account	Particulars	L/F	Cash Amount (₹)	Bank Amount (₹)
1	2	3	4	5	6	7	8
Serial Number	Date	Pymt. Vchr. No.	Code of Account	Particulars	L/F	Cash Amount (₹)	Bank Amount (₹)
9	10	11	12	13	14	15	16
	xx/xx/xxxx		450-21-000-01	By Main Bank A/c			2,000

4.15 Banking arrangements: Municipalities may enter arrangements with their bankers as listed below in respect of collections and payments. Such arrangements shall enable Municipalities in improvement of funds management.

Illustrative list of arrangements with Banks:

- Acting as an authorized collection agency for direct collection. This facilitates collection at all authorized branches of the Bank providing easy access.
- Operation of collection counter at Municipality offices Arrangement for collection of Deposits from authorized collection centers at a fixed time (say end of the day).
- Issuing daily Debit/Credit Advices.
- Issue Account Statements on a weekly basis or for such other periods.
- Tele banking facilities.
- Salary Credit for employees

4.16 Internal Controls: The following general internal controls shall be observed by the Municipalities:

- (a) The closing balance of cash as per the Cashier's Cash Book shall be verified daily with the physical cash balance at all the Collection Offices and must be signed by the person verifying the cash.
- (b) The cash chest shall have two keys. One key shall be with the cashier of the collection office and the other shall be with another officer designated for this purpose by the Municipality.
- (c) Cash in chest shall be insured for theft, fire etc.
- (d) The officers designated by the Municipality for operating the Designated Bank Accounts shall co-ordinate with the banks on a daily basis and ascertain the status of the cheques/ drafts deposited by them.
- (e) Receipts and payments from digital transactions shall be recorded on a daily basis in the Cash Book.
- (f) Bank reconciliation shall be carried out monthly by the officers of the Municipality designated for the purpose of handling the bank accounts and the same shall be duly verified and signed by the designated officer.
- (g) Original copy of the cancelled Receipt shall be attached with the duplicate copy with the words "Cancelled" marked on it.
- (h) At the time of approving payment, the Accounts Branch shall ensure that the Payment Order provides reference of Register of Bills for Payment, Measurement Book, Stock Ledger or Fixed Asset Register, as the case may be, depending on the purpose for which payment is made.
- (i) At the time of recording collections, the Accounts Branch shall ensure that the total amount of collections as per the Collection Register tallies with the total amount as per Receipt Register for Cheques received and total of cash collections as per summary of daily collection in Form GEN-12.
- (j) Original copies of all the cancelled documents such as receipts, payment vouchers shall be retained in the office file with reasons / justification for cancellation written on the cancelled documents.
- (k) At the end of each month, the Accounts Branch shall ensure compliance with the month-end procedure.
- (l) The Accounts Branch shall also comply with month-end procedure in respect of:-
 - Operation and Maintenance Expenses as described in Chapter – Municipal Works,
 - Employees related expenses as described in Chapter – Employee Related Transactions, and
 - Administrative Expenses as described in Chapter – Other Revenue Expenditures.
- (m) 'Liability for Stale Cheques account shall be reviewed at the end of every quarter and all the stale cheques dated as specified from the date of original issue shall be identified and reversed as other income of the Municipality.
- (n) The Accounts Branch shall ensure stamping of all the bills, once approved for payment to ensure the same bill is not processed once again.
- (o) The Accounts Branch shall ensure that all the bank charges accounted based on the bank reconciliation statement are supported with original bank debit advices.
- (p) The Accounts Branch shall certify all Reconciliation Statements.

4.17 Periodical Financial Statement: This section describes the procedures to be followed by a Municipality to facilitate preparation of periodical accounts. Each Municipality shall prepare periodical accounts on quarterly basis, and this shall be in addition to the annual accounts.

It is recommended that certain reconciliations and other accounting procedures be carried out on a daily and monthly basis so that the recording of transactions is up to date and accurate. These shall be in addition to quarterly and annual procedures.

The specific period-end procedures in relation to various categories of transactions have been described in the relevant chapters. The procedures to be followed on a daily, monthly, quarterly and annual basis are covered under the following:

The procedures to be followed on a daily, monthly, quarterly and annual basis shall be as below:

Daily Procedures

- (a) Balancing/Closing of Cash Book
- (b) Physical verification of cash balance
- (c) Deposit of collection (both cash and cheque) in bank
- (d) Review of stale cheques
- (e) Digital Payments
- (f) Checking of ledger accounts with the book of original entries i.e. Cash Book and Journal Book
- (g) Verification of number of receipts issued as reported by the collection office with the Collection Register
- (h) Updating of Subsidiary Ledgers

Monthly Procedures

- (a) Bank Reconciliation;
- (b) Recording of expenditures incurred against permanent advance;
- (c) Payment of provident fund dues and pension contribution in respect of employees on deputation;
- (d) Reconciliation of Function wise Income/Expense Subsidiary Ledgers with respective trial balance totals;
- (e) Compilation of details of closing stock for recording the consumption of stores at the end of the month;
- (f) Closing of ledger accounts;
- (g) Review of Stale Cheques
- (h) Review of Digital Payments

Quarterly Procedures

- (a) Reconciliation of deposits, advances, receivables and incomes;
- (b) Provision for period-end expenses;
- (c) Transfer of revenue grant received in advance for specific purpose to grant income;
- (d) Recognition of grant income for revenue expenditure incurred in respect of grant receivable as reimbursement;
- (e) Accrual of interest on borrowings;
- (f) Recording of provision for bills remaining unpaid in respect of Special Fund expenditure;
- (g) Accrual of interest on investments;
- (h) Accrual of interest on loans to employees;
- (i) Reconciliation of capital work in progress;
- (j) Reconciliation of inter unit balances;
- (k) Passing of adjustment entries;
- (l) Closing of ledger accounts

Annual Procedures

- (a) Physical verification of stores;
- (b) Physical verification of fixed assets;
- (c) Transfer of funds from Special Funds to Special Funds (Utilized);
- (d) Confirmation of all categories of advances;
- (e) Provision for unrealized revenue;
- (f) Accounting of prepaid expenses;
- (g) Contribution of difference in interest to the provident fund;
- (h) Expenditure for the benefit of Backward classes or similar other welfare schemes;
- (i) Confirmation from Government/Quasi-government and Government owned agencies;
- (j) Closing of ledger accounts;

Each of the above procedures shall be as follows:

4.18 Daily Procedures

- (a) **Balancing/Closing of Cash Book: -**
The cash book shall be totalled and balanced daily. The posting of the day's transactions shall be made in the respective Ledger Accounts by the end of the day. The closing cash and bank balance of the day shall be carried forward to the next day as opening balance for that day.
- (b) **Physical verification of cash balance: -**
Cash available with the Accounts Branch shall be physically verified by the Cashier. The values and denominations of the cash physically verified shall be noted in the cash book itself. This shall be certified by the Cashier and the Head of the Accounts Branch. The cash balance as physically verified shall match with the closing cash balance as per the cash book.

(c) **Deposit of collections (both cash and cheque) in the Bank:**

The cash and cheque collection shall be remitted to the Accounts Branch or deposited with the Bank (Main Bank or Designated Banks). Care has to be taken that the money is remitted or deposited either on the same day or by the next working day. Further, it shall be ensured that the funds are transferred from the designated bank accounts to the Main Bank Account at such periodicity, as may be prescribed by the States.

(d) **Review of stale cheques:**

It involves verifying daily bank statements for any outstanding cheques not cleared within their validity period and comparing these entries with the municipality's cheque issue register (GEN-15). Cheques as specified are identified as stale and shall be marked in the cheque issue and receipt registers. Accounts branch shall notify about the stale cheques, including details such as cheque number, amount and date of issue, with advice to reissue or take necessary actions, if required. A daily report summarizing the status of identified stale cheques shall then send to the concerned branch.

(e) **Digital Payments:**

After approval of the competent authority, payment orders shall be generated through appropriate digital payment method and initiated through the banking portal. Payment confirmations shall be recorded and daily reports summarizing all transactions shall get generated. Regular reconciliation with bank statements shall be performed to address discrepancies and transaction trail shall be maintained for all transactions. Compliance with financial regulations and security measures to prevent fraud shall be regularly reviewed.

(f) **Checking of ledger accounts with the books of original entries, i.e., Cash Book and Journal Book:**

The daily postings of the entries in the Ledger Accounts from the cash book and the journal book shall be checked and certified by the Head of the Accounts Branch and/or other designated officer. The employee making the concerned posting shall also certify the posting of each transaction recorded in the books of original entries. Necessary rectification entries shall be passed immediately in respect of differences or errors in posting.

(g) **Verification of number of receipts issued as reported by the collection office with the Collection Register:**

On receipt of challans for remittance of money from the collection office, the Head of the Branch supervising the functioning of the collection office shall verify the duplicate copies of the receipts issued with the entries made in the collection register and in the challan for Remittance of Money. The number of receipts cancelled shall be reported in the challan for Remittance of Money.

(h) **Updating of Subsidiary Ledger:**

The Accounts Branch shall update the following Subsidiary registers at the end of each day:

- i. Functions wise Income Subsidiary Ledger in respect of all major heads of income during the day;
- ii. Function wise Expense Subsidiary Ledger in respect of all major heads of expenses during the day.

4.19 Monthly Procedures

(a) **Bank Reconciliation:**

Bank Reconciliation shall be carried out for each of the banks either on a monthly basis or for such shorter time interval(s) as the Municipality may decide.

(b) **Recording of expenditure incurred against permanent advance:**

At the end of each month, the Head of the Branch, to whom permanent advance has been disbursed, shall prepare and submit a payment order for expenses incurred against the permanent advance.

The Register of Permanent Advance maintained at the Branches shall be updated on a daily basis for the expenses incurred and updated for payment order prepared and sent to the Accounts Branch.

(c) **Payment of provident fund dues and pension contribution in respect of employees on deputation:**

The Accounts Branch shall ensure that the provident fund deducted from the salaries of the employees on deputation and the pension contribution payable for their benefit have been paid in time to the Government.

(d) **Reconciliation of Function wise Income/Expense Subsidiary Ledgers with respective ledger accounts:**

Subsidiary ledgers of all Function wise Income and Expense shall be reconciled. The following is an illustrative list of Subsidiary Ledgers for which the Accounts Branch shall prepare reconciliation statements on a monthly basis:

- i. Functions wise Income Subsidiary Ledger in respect of all major heads of income during the day;
- ii. Functions wise Expense Subsidiary Ledger in respect of all major heads of expenses during the day.

(e) **Compilation of details of closing stock for preparation of financial statements at the end of the month:** At the end of each month, the Stores-in-charge shall prepare a Statement of closing stock in Form ST-3A for the stocks held in the stores and issues made for various purposes from the entries made in the Stores Ledger.

- (f) **Closing of ledger accounts:** The ledger accounts shall be totaled and balanced at the end of each month or such shorter period(s) as the Municipality may decide. The closing balances for each of ledger accounts shall be determined and posted in the trial balance prepared for that period.
- (g) **Review of Stale Cheques:** It involves conducting a comprehensive review of all outstanding cheques at the end of each month, reconciling the cheque issue register (GEN-15) with bank statements and preparing a detailed report listing all identified stale cheques, including information such as cheque number, amount, date of issue, payee. This report will be circulated to concerned branch for follow-up actions, such as reissuance or cancellation. Financial records shall be adjusted to reflect actions taken on stale cheques, ensuring these are either cancelled or reissued appropriately. In case of receipt, the demand be raised against the stale cancelled cheque by the concerned branch. Compliance with municipal financial regulations and audit requirements shall be ensured and all documentation shall be retained for audit purposes. The monthly report shall be presented to Chief Municipal Officer for review.

4.20 Quarterly Procedures

- (a) **Reconciliation of deposits, advances, receivables and income:** The deposits received from contractor/supplier or any other deposit; advances provided to contractor/supplier or to the branches or employees of the Municipality receivables in respect of various sources of income and money received from various sources of income shall be reconciled at the end of each quarter.
- (b) **Provision for period-end expenses:** At the end of an accounting period (quarter), all the branches of the Municipality shall prepare a statement of Outstanding Liability for Expenses in Form GEN-28. The procedures for making period-end provision entries have been outlined in the relevant chapters and are briefly described below:
 - (i) Provision for expenses incurred on original work/ operations or maintenance work being executed by the Engineering Branch or Public Works Branch for which either no payment has been made, or part payment has been made against the bills received, shall be made in accordance with the procedures outlined in Chapter of Municipal Works.
 - (ii) Provision for materials purchased for which either no payment has been made, or part payment has been made against the bills received, by the Stores, shall be made in accordance with the procedures outlined in Para 30.4 Stores. Provision shall also be made for materials received for which bills are not received at the values indicated in the Purchase Order.
 - (iii) Provision for revenue expenditures other than those described above for which either no payment has been made, or part payment has been made against the bills received, shall be made in accordance with the procedures outlined in Para 18.11 Other Revenue Expenses.
 - (iv) Provision for interest accrued but not due on the money borrowed through loans or debentures shall be made in accordance with the procedures outlined in other chapter.
 - (v) Provision for fixed assets purchased, for which either no payment has been made, or part payment has been made against the bills received, shall be made in accordance with the procedures outlined under the Chapter of Fixed Assets.
 - (vi) Provision for Depreciation on Fixed assets shall be calculated in accordance with the procedures outlined under the Chapter of Fixed Assets.
- (c) **Transfer of revenue grant received in advance for specific purpose to grant income:** The balance in the Revenue Grant Account received in advance, to the extent utilized during the period shall be transferred to the respective Grant Income Account. Where such transfer has not been made, the Accounts Branch shall pass the relevant entries in accordance with the procedures outlined under the Chapter of Grants.
- (d) **Recognition of grant income for revenue expenditure incurred in respect of grant receivable as reimbursement:** The revenue expenditure incurred during the period towards specific projects/schemes under a grant receivable, as a reimbursement shall be recognized as income at the end of each quarter. Where such income has not been recognized, the Accounts Branch shall pass the relevant entries in accordance with the procedures outlined under the Chapter of Grants.
- (e) **Accrual of interest on borrowings:** Interest accrued but not paid, shall be treated as accrued interest payable in accordance with the procedures outlined in Chapter of Debt Security and Municipal Bond.
- (f) **Recording of provision for bills remaining unpaid in respect of Special Fund expenditure:** Provision shall be made for the revenue expenditure incurred under Special Fund during the period in accordance with the procedures outlined under the Chapter of Special Funds.
- (g) **Accrual of interest on investments:** Interest accrued but not received on investments made shall be accrued in accordance with the procedures outlined in Chapter of Investments.

- (h) **Accrual of interest on loans to employees:** The amount of interest accrued in respect of loans provided to employees shall be determined and accrued in accordance with the procedures outlined under the Chapter of Employee Related Transactions.
- (i) **Reconciliation of Capital Work in Progress:** Expenditure incurred on cumulative total of several Capital Work-in-Progress Ledger Accounts shall be reconciled at the end of each quarter with the Summary Statement of Status on Capital Work-in-Progress received from the branch. The Accounts Branch shall ensure that total expenditure incurred as stated in the Statement tallies with the cumulative total of several Capital Work-in-Progress Ledger Accounts.
- (j) **Reconciliation of Inter unit Account balances:** At the end of each period, reconciliation of inter unit transactions is intended to identify the disputed / unaccepted inter unit transactions between an 'originating AU' and the 'responding AU' and take appropriate action for rectification. Further, reconciliation of inter unit account is necessary in the process of consolidation of Municipality at the head office level as the balances of inter unit account balances shall be nullified.
- (k) **Passing of adjustment entries:** At the period-end, the Accounts Branch shall verify whether proper distinction has been maintained between revenue and capital transactions and between the transactions having effect in two accounting periods. In case, any income or expenditure for the previous periods or the subsequent periods has been accounted for as income or expenditure of the current period, the rectification entries as outlined under General Accounting Procedures shall be made by the Accounts Branch.
- (l) **Closing of ledger accounts:** The ledger accounts shall be totaled and balanced at the end of each quarter or such shorter period(s) as the Municipality shall decide for preparation of Financial Statements. The closing balances for each of ledger accounts shall be determined and posted in the Trial Balance prepared for that period. The procedures for preparation of Trial Balance, and, from it, the Financial Statements, have been outlined under the Chapter of Financial Statements. The closing balance in the assets and liabilities ledger accounts of the period shall be carried forward as opening balance of the next period.

4.21 Annual Procedures

All the period-end procedures, including the passing of adjustment entries performed at the end of each quarter, as explained above, shall also be performed at the end of each accounting year. In addition to that, further period-end procedures required to be performed at the year-end have been described below: -

- (a) **Physical verification of stores:** The physical verification of stores and consumables shall be carried out at least once in a year on the last day of the accounting year and at such time intervals, as the Municipality shall decide. The verification shall be carried out by the Stores-in-charge in presence of the personnel of the Accounts Branch, who shall certify the stock sheet. The physically verified stores shall be reconciled with the balances as per the store's records. The value of physically verified closing stock shall be incorporated in the Financial Statements. The procedure for valuation of closing stock has been outlined under the Para 30.4 Stores.
- (b) **Physical verification of fixed assets:** A committee consisting of Municipal Commissioner, Head of the Accounts Branch, Head of the Engineering Branch or Public Works Branch and such other representatives as the Municipality Statutory Authority resolves, shall be formed. The Municipality shall ensure the existence of a system of conducting physical verification of fixed assets throughout the year so that each fixed asset is verified at least once during the year. Any discrepancies within the Fixed Assets Register shall be reconciled and brought to the attention of the Statutory Authority. For this, the Municipality shall prepare a plan of action for physical verification of its fixed assets. The Accounts Branch together with the Engineering Branch or Public Works Branch shall carry out physical verification as per the procedures provided in the verification plan. The details recorded in the verification sheets shall be checked with their relevant Fixed Assets Registers and suitable remedial steps shall be taken in case of discrepancies identified.
- (c) **Transfer of funds from special funds:** The balance in the Special Fund shall be transferred to the Special Fund (Utilized) on construction or purchase or acquisition of fixed asset at the time of capitalization of the relevant expenditures into fixed asset. A control shall be kept on the projects executed under any Special Fund for effecting transfer of balance.
- (d) **Confirmation of all categories of advances:** At the end of the year, the Accounts Branch shall obtain a confirmation from all the persons to whom the advances have been provided including the Head of the Branch for Permanent Advance and employees of the Municipality for miscellaneous advance provided.
- (e) **Provision for unrealized revenue:** A provision shall be made for the demands raised during the accounting period but remaining outstanding. The procedure for provisioning, the amount to be provided and the accounting entries have been outlined in the respective chapters on incomes. The arrears of receivable shall be carried forward year-wise up to two years or five years depending on the provision norm applicable to that income. On completion of the last year, the amount outstanding in the specific year-wise receivable

account shall be transferred to a general arrears account i.e. receivable (Others) Account. Further, the Accounts Branch shall make a provision based on the provisioning principle suggested for various types of Income.

- (f) **Accounting of prepaid expenses:** At the year-end, all the expenses shall be scrutinized to identify those expenses whose benefit is likely to accrue in the next year and a prepaid entry shall be passed in accordance with the procedures outlined under the chapter – Other Revenue Expenditures.
- (g) **Contribution of difference in interest to the provident fund:** The difference between the interest earned on Provident Fund investment and interest payable on Provident Fund contribution to the employees shall be contributed by the Municipality and an amount equivalent to the difference shall be transferred from the Main Bank Account to the Provident Fund Bank Account.
- (h) **Expenditure for the benefit of Backward Classes Welfare or similar other Welfare schemes:** At the year-end, the Accounts Branch shall collect the expenditure incurred for the benefit of Backward Classes Welfare or similar other benefit schemes from the records maintained there. The difference between the amount spent and the amount required to be spent as per the Government's instructions shall be transferred from the Main Bank Account to Backward Classes Welfare Fund Bank Account or other similar benefit fund Bank Account with a corresponding creation of/addition to Backward Classes Welfare Fund.
- (i) **Confirmation from Government/Quasi-government and Government owned agencies:** At the end of each accounting year, Accounts Branch shall prepare and forward a balance confirmation statement to Government and Quasi-government and various government owned agencies in the format as prescribed in Chapter 29 – Reconciliation Procedures. Based on replies received, the Accounts Branch shall undertake appropriate remedial action, including passing of necessary rectification entries, for reconciling the balances.
- (j) **Closing of ledger accounts:** In addition to closing of ledger accounts at the end of each quarter, the ledger accounts shall be balanced and totaled at the end of each accounting year, i.e., on 31st March, for preparation of Financial Statements. The closing balances for each of the ledger accounts shall be posted in the Trial Balance from which Financial Statements shall be prepared.

After the Annual Financial Statements have been prepared, the Accounts Branch shall pass the entries for transfer of income and expenditure ledger balances to the Income and Expenditure Account. Let us assume that total income earned (from property and other taxes, water supply, cess and any other income) by the Municipality for the Financial Year 2021-22 is ₹ 16,35,00,000 and total expenditure incurred (on salaries and wages paid to the employees, on repairs and maintenance of roads, buildings and other structures, on stores consumed and other such expenditure) for the same Financial Year is ₹12,50,00,000. The details of entries to be passed are as follows:

(i) **For transfer of income ledger balances to income side of Income and Expenditure Statement**

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
110-(a)	Tax Income	Dr.	10,00,00,000		Journal Book and Ledger
110-52-000-(a)	Cess Income	Dr.	2,00,00,000		
140-90-000-(a)	Water Charge	Dr.	4,00,00,000		
140-12-002-(a)	Permit Fee	Dr.	20,00,000		
120-10-000-03	Property Transfer Charges	Dr.	15,00,000		
140-(a)	To Income and Expenditure A/C	Cr.		16,35,00,000	

Notes: -

- (a) Balances of the income ledger accounts shall be posted on the right-hand side of the Income and Expenditure Statement under the column heading "Income".
- (b) The total of the aforesaid debit and credit columns shall be the same.
- (c) Insert Minor and Detailed Head Codes of Account.
- (ii) **For transfer of expenditure ledger balances to expenditure side of Income and Expenditure Statement:**

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
210-(a)	Income and Expenditure Account	Dr.	10,25,00,000		Journal Book and Ledger
210-(a)	To Establishment Expenditure	Cr.		7,00,00,000	
220-(a)	To Administrative Expenses	Cr.		50,00,000	
230-(a)	To Operation and Maintenance Exp	Cr.		25,00,000	
230-50-000-(a)	To Repairs and Maintenance Exp	Cr.		2,50,00,000	

Notes:

- Balances of the expense ledger accounts shall be posted on the left-hand side of the Income and Expenditure Statement under the column heading "Expenditure".
- The total of the aforesaid debit and credit columns shall be the same.
- Insert Minor and Detailed Head Codes of Account.

The closing ledger balance in the assets and liabilities ledger accounts of the accounting year shall be carried forward as opening balance of the next accounting year.

CERTIFICATE TO BE ANNEXED AT THE TIME OF PREPARATION OF BILL (Para 4.7.1)

Name of the work _____

Certificate regarding quality, quantity, specification and Schedule/Non-Schedule items

- It is certified that the quantity of the work executed at site is as per requirement of Detail Notice for Inviting Tender (DNIT).
- It is certified that the quantity taken in the bill have been checked by me and there is no difference in the item taken in measurement book and executed at site.
- It is certified that the scheduled/Non-Scheduled items have been executed as per the provision mentioned in the Detail Notice for Inviting Tender (DNIT). It is also certified that no extra scheduled/non-scheduled item is entered in the Measurement Book (MB)/Bill without prior approval of the competent authority.
- It is certified that the deviation and variation have already been approved from the competent authority.
- The bill is submitted for release of payment.

Signature of
Junior Engineer

Signature of
Asstt. Engineer

Signature of
Executive Engineer

CHAPTER-5**RECEIPTS****5.1 This chapter discusses about general procedure for the receipts, deposits and accounting of the collection shall be as follows:**

- (a) **Collection at Counters:** For receipt of cash or an amount received in the form of cheque/draft, receipts, duly signed and dated shall be issued in form GEN-8. In case, where the payer has to submit bills / challans, one copy shall be returned to the payer along with the receipts. All cheques/drafts received shall be recorded in a receipt Register, maintained in form GEN-9. Receipt register shall be maintained in perforated sheets, so that the second copy may be used for depositing cheques with Bank or other collection offices of the Municipality. All receipt in form of GEN-8 shall be issued through electronics mode only through authorized software/system provided or approved by State Government or Department.
- (b) **Collection through Bank:** The amount collected by the bank either by challan or cash transfer by way of RTGS/NEFT/debit card/credit card/cheque/demand draft or any other mode shall be credited into designated bank account of Municipality immediately. The bank shall submit a detail of the same in form GEN-12 to the Municipality on the same day or on the next working day.
- (c) **Collection through bank/ payment aggregator/Online:** The amount collected by the bank/payment aggregator either by of web- portal/mobile wallet/ online transfer/debit card/ credit card or any other mode shall be credited into designated bank account of Municipality immediately. On successful payment, a receipt in form GEN- 8 shall be issued to beneficiary immediately and bank/payment aggregator shall submit a detail of the same in form GEN-12 to the Municipality on the same day or on the next working day.

5.2 Deposit of amount collected: The amount collected (cash, cheques as well as drafts) shall be deposited into designated Bank Accounts or with the other designated collection officer of Municipality on the same day or on the next working day.**5.3 Remittance of collections to other Collection Offices:** The collection office receiving the cash/cheque/demand draft/banker's cheque from other collection centers, shall issue a receipt (Form GEN-8) to acknowledge the receipts of cash/cheque/demand drafts/banker's cheque from other collection offices. The receiving collection center shall record the receipt of the cheques/drafts received from other collection centers in the receipts register maintained in Form GEN-9.**5.4 Entry in Collection Register:** The collection center shall record the particulars of each receipt issued in the collection registers, maintained in Form GEN-11, on a daily basis. The collection to be maintained in Form GEN-11 account head wise details of the daily collections. This collection register shall be maintained in triplicate wherein one copy shall be sent to the concerned branch along with one copy of the bill/challan collected, if any, one shall be sent to the accounts and other one shall be retained as book copy.

While switching over to computerized accounting, it will be ensured that for online receipt concerned bank submit a detailed code wise account of the receipts and acknowledgement issued by the bank shall specify the name of the municipality and detailed head of income to which deposit relates and income shall be directly credited to the concerned Municipality Bank Account.

5.5 Summary of daily collection: Based on the detail from the collection register, the collection offices shall prepare a summary of daily collection in Form GEN-12. The summary of daily collection is a covering sheet that provides a summary of the total revenues collected by the collection officer/center.**5.6 Collection at branches of designated banks directly from the payers:** The officers, designated for the purpose of coordinating with the branches collecting the receipt directly from the payers, shall also prepare a summary of daily collection in Form GEN-12.**5.7 Preparation of Bank Receipts Voucher:** The Accounts Branch shall prepare a Bank Receipt Voucher (Form GEN-4) and pass the entry for recording the collection based on the summary of daily collection (Form GEN-12) received.

For example, the following entry shall be passed in respect of receipt of security deposit received by cheque and deposited in Main Bank Account:

Code of Account	Accounting Entry	Dr/ Cr	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
450-21-000-01 340-10-000-02	Main Bank A/c* To Deposit Contractor-Security Deposit	Dr Cr	10,000	10,000	Cash Book and Ledger

*Specify the name of bank and account number

5.8 Entry in Cash Book

In practice, the above entry shall be passed in the Main Cash Book (GEN-1), in the 'Bank' Column on the 'Receipt' side, as follows :

Cash Book of _____ (Name of the Municipality)

Serial Number	Date	Receipt Voucher No.	Code of A/c	Particulars of receipts	L/ F	Cash Amt (₹)	Bank Amt (₹)
1	2	3	4	5	6	7	8
	xx/xx/xxxx		340-10-000-02	To Deposit From contractor Security Deposit		10,000	
Serial Number	Date	Receipt Voucher No.	Code of Account	Particular of Receipt	L / F	Amount (₹)	Bank Amt (₹)
9	10	11	12	13	14	15	16

5.9 Posting in Ledger

From the Cash Book, a posting shall be made to the ledger (Form GEN-3.) In the "Deposit from Contractor-Security Deposit" Account on the Credit" side, as shown below:

Deposit from Contractors-Security Deposit

Date	Code of Account	Particulars	Folio	Amount (₹)	Date	Code of Account	Particulars	Folio	Amount (₹)
1	2	3	4	5	6	7	8	9	10
					xx/xx/xxxx	450-21-000-01	By Main Bank A/c		10,000

5.10 Similarly, collection in respect of Property and Other Taxes shall be accounted as follows:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹) Illustrative Figure	Books to be Entered into
1	2	3	4	5	6
450-21-000-01	Main Bank A/c*	Dr.	25,000		Cash Book and Ledger
431-80-000-01	To Receivable control account-Property Tax	Cr.		25,000	

*Specify the name of the bank and account number

In practice, the above entry shall be passed in the relevant Cash Book (Form GEN-1), in the "Bank" column on the "Receipt" side and posted to the Ledger (Form GEN-3) as follows:

Cash Book of _____ (Name of the Municipality)

Serial Number	Date	Receipt Voucher No.	Code of A/c	Particulars of receipts	L/ F	Cash Amt (₹)	Bank Amt (₹)
1	2	3	4	5	6	7	8
	xx/xx/xxxx		431-80-000-01	To Receivable Control Account – Property Tax			25,000
Serial Number	Date	Receipt Voucher No.	Code of Account	Particular of Receipt	L/ F	Amount (₹)	Bank Amt (₹)
9	10	11	12	13	14	15	16

(Extracted Cash Book)

Receivable Control Account

Date	Code of Account	Particulars	Folio	Amount (₹)	Date	Code of Account	Particulars	Folio	Amount (₹)
1	2	3	4	5	6	7	8	9	10
					xx.xx.xxxx	450-21-000-01	By Bank A/c		25,000

- 5.11 Updating of Subsidiary Ledger:** The Accounts Branch shall maintain separate subsidiary ledger(s) for each of the major revenues in Form GEN-33. The subsidiary ledger shall provide function-wise break-up of above-mentioned income earned/received by the Municipality on a daily basis. Separate folio shall be maintained for each function within the subsidiary ledger for recording incomes in respect of each function. When an income is earned, it shall be first recorded in the cash book on the receipts side or in the journal from bills submitted by the concerned branch. Thereafter, the entry shall be posted to the credit of the appropriate income account in the main ledger. Simultaneously, the amount shall also be recorded in the folio for the concerned function in the subsidiary ledger under the respective income column.
- 5.12 Entry in Ledger:** The folio for the Revenue in the subsidiary ledger shall provide for separate columns for various Major Heads of Income for which the income(s) are received. The details of revenue received, after being posted in the general ledger, shall be posted in the relevant subsidiary ledger as follows:

Date	Ref No.	Particulars	Total	Income			
			Amount(₹)	Revenue Grants	Fees and User Charges	Sales and Hire Charges	Other Nature to be specify
1	2	3	4	5	6	7	8
xx/xx/xxxx	1	License Fees	1,000		1,000		
	2	Registration Fees Patients	500		500		
	3	Birth and Death	10,000		10,000		
	4	X-ray and charges	2,000		2,000		
						500	
	5	Sale of Forms	500				
	6	Malaria Control grant	5000	5,000			
		Total for the Month	19,000	5,000	13,500	500	Nil
		Cum. Total at the beginning of the month	Nil	Nil	Nil	Nil	Nil
		Cum. Total at the end of the month	19,000	5,000	13,500	500	Nil

Each of the above entries shall be first posted in the respective ledger accounts in the main ledger. Thus, the main ledger shall be a complete record from which a trial balance may be prepared. However, for ascertaining function-wise details, the subsidiary ledger shall need to be referred.

Summary of Major Head Wise income for each of the function may be prepared from the subsidiary ledger in the following format:

Sr. No.	Function Code	Function Head	Total Income (₹)	Major Heads of Income			
				Revenue Grants	Fees and User Charges	Sale and Hire Charges	Other Nature to be specify
1	2	3	4	5	6	7	8
	30 20 50	Health Public Works - Civic Amenities	19,000	5,000	13,500	500	
Total for the major heads of income			19,000	5,000	13,500	500	

Summary of total of major heads of income prepared as stated above must agree with the major income head wise schedules prepared from trial balance.

- 5.13 Updating of details regarding Cheques/Drafts deposited:** The realization/return of the cheques/draft shall be followed up with the bank. The details of the realization/non-realization of the cheques/drafts shall be updated in the receipt register (Form GEN-9) as well as communicated to the concerned officer for follow-up. The details be intimated to the Account branch by the collection office/centre who have actually deposited the cheques and coordinating with the bank, through a Statement on status of cheques received, prepared in Form GEN-10. Based on the statement on status of cheques received (Form GEN-10), the Accounts Branch shall reverse the entry passed as per Para 5.7 on preparation of bank receipt vouchers. For example- Security Deposit received by cheque and deposited in Main bank Account is dishonoured, the Accounts Branch shall pass the following entry for reversal of receipt: -

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (₹)	Credit Amount (₹) Illustrative figure	Books to Be Entered Into
1	2	3	4	5	6
340-10-000-02	Contractor Security Deposit A/c	Dr.	10,000		Cash and
450-21-000-01	To Main Bank A/c*	Cr.		10,000	Bank Book Ledger

*Specify the name of the bank and account number.

Subsidiary ledger shall be adequately updated for the reversal entry to be passed in respect of Fees and user charges and Sale and hire charges due to dishonour of cheques. An administrative charge shall be normally levied on the dishonoured cheques.

- 5.14 Transfer of funds from one Bank Account to another Bank Account:** Transfers from one bank account to another shall be governed by the applicable rules. On the basis of the cheques prepared for the transfer or on the basis of the bank intimation received, in case of standing instruction(s) being given to the banks for transfer of funds, the Accounts Branch shall prepare a Contra Voucher (in Form GEN- 6). Accounting entries relating to this is explained below:

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount(₹)	Credit Amount(₹)	Books to be Entered into
1	2	3	4	5	6
450- 21-000-01	Main Bank A/c *	Dr.	2,000		Cash Book and Ledger
350-90-000-(a)	To Sale Proceeds from Assets	Cr.			

*Specify the name of the bank and account number

(a) Insert Detailed Head Code of Account as applicable.

- 5.15 Municipalities shall maintain an Asset Replacement register in form GEN-35 (specimen has been provided in Part-II of this Code).**

CHAPTER-6

FIXED ASSETS AND DEPRECIATION

6.1 Introduction:

This chapter contains the recommended accounting system for Fixed Assets, Depreciation and other related transactions.

6.2 Basic Terms:

- **Fixed Assets:** Fixed Assets represent those assets of the Municipality, which are meant for use over an extended period. These are the assets held for providing services and are not held for resale in the normal course of operations of the Municipality.
- **Capital Work in Progress:** Fixed Assets under construction
- **Capitalization:** The process of transferring the total cost of a capital work-in- progress to an appropriate fixed asset account on completion of work
- **Heritage assets** are of cultural, environmental or historical significance, e.g., historical buildings and monuments, archaeological sites, conservation areas, and works of art. Their value is unlikely to be fully reflected in financial terms as they are irreplaceable. It may be difficult to estimate their useful lives. The Municipality may have acquired many heritage assets by various means, including purchase, donation, bequest, etc.
- **Capitalization:** The process of transferring the total cost of a capital work-in- progress to an appropriate fixed asset account on completion of work
- **Depreciation:** It is the amount at which a fixed asset is written off over its useful life. It may also be considered as a non-cash expense that reduces the value of an asset as a result of wear and tear, age or obsolescence.
- **Depreciable assets** are assets which (i) are expected to be used during more than one accounting period; and (ii) have a limited useful life; and (iii) are held by an enterprise for use in the production or supply of goods and services, for rental to others, or for administrative purposes and not for the purpose of sale in the ordinary course of business.
- **Useful life** is either-
 - The period over which a depreciable asset is expected to be used by the enterprise; or
 - The number of production or similar units expected to be obtained from the use of the asset by the enterprise.
- **Depreciable amount** of a depreciable asset is its historical cost, or other amount substituted for historical cost in the financial statements, less the estimated residual value.
- **Estimated Useful Life:** Period over which a fixed asset is expected to be used
- **Original Cost or Historical Cost:** Total cost associated with the purchase of an asset including expenditure incurred to bring the asset to its location and installing it. Original cost includes the cost at which the asset is purchased, freight, insurance and installation expenses at the time of acquiring the asset.
- **Change of Historical cost** of a depreciable asset represents its money outlay or its equivalent in connection with its acquisition, installation and commissioning as well as for additions to or improvement thereof. The historical cost of a depreciable asset may undergo subsequent changes arising as a result of increase or decrease in long term liability on account of exchange fluctuations, price adjustments, changes in duties or similar factors.
- **Written down Value (WDV):** It is the net value of the asset i.e. Original cost of the asset minus up-to-date depreciation
- **Fair market value** is the price that shall be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length who are fully informed and are not under any compulsion to transact.
- **Gross book value** of a fixed asset is its historical cost or other amount substituted for historical cost in the books of account or financial statements. When this amount is shown net of accumulated depreciation, it is termed as net book value.
- **Intangible Assets** are non-physical sources of value, virtual in nature; generated by innovation, discovery, or human resource practices that create future benefits. It includes good will, software, database, etc.
- **Natural Assets** of Municipality are those assets of the natural environment (those having some environmental

values associated with it) traditionally owned by it or specifically entrusted with it by the Acts or other Laws, prevailing at the time. These consist of traditional open spaces, sacred grooves, land patches with thick natural vegetation, natural water sources, and the surrounding areas with their eco-systems.

- **Rehabilitation/Enhancement** of Assets is an improvement or augmentation of an existing asset (including separately depreciable parts), beyond its originally recognized service potential. For example, an activity undertaken for enhancing an asset's remaining useful life, capacity, quality, and functionality or any one of this.
- **Refurbishment/Maintenance** to an asset restores or maintains the originally assessed future economic benefits or service potential that an entity may expect from an asset and is necessary for the planned life of asset to be achieved.

6.3 Classification of Fixed Assets:

The Fixed Assets described in this chapter shall be broadly classified as Infrastructure assets and other assets and the list of these assets illustratively include:

A. Infrastructure Assets

- Roads and Bridges, Cause ways, etc.
- Water Works;
- Bore Wells;
- Laboratory Equipment, etc.;
- Sewerage and drainage; (Open Drains, Underground Drains, etc.)
- Public Lighting;
- Lamp Posts;
- Luminary and Electrical Fittings, etc.
- Culvert;
- CCTV, OFC CABLE and IT Network
- Open Space Parks

B. Other Assets

- Land, Grounds, etc.
- Buildings; (Office building, Art gallery Buildings, Auditorium Buildings, etc.)
- Furniture, fixtures, fittings and Electrical appliances; Cabinets and cup boards, Chairs, etc.
- Office and other equipment's; Air Conditioners, Computer-Hardware, etc.
- Vehicles; (Ambulances, Buses, etc.)
- Health related assets; and Cold Storage Equipment, Medical Equipment, etc.
- The codes of Account for above and all other transactions are given in Chapter-3 (Charts of Accounts).

6.4 Creation of Fixed Assets

Creation of fixed assets may happen in the following ways:

- (a) Works carried out either through contractors or through departmental execution.
- (b) Purchase of movable and immovable assets such as furniture and fittings, office equipments, vehicles, plant and machinery.
- (c) The Municipality may receive fixed assets by way of grant or donation – for example donation of land by a private company for road formation, donation of bus shelters, buildings etc.

6.5 Record of Fixed Assets:

The Municipality shall maintain and report physical and financial status of other fixed assets to ensure:

- (a) transparency and accountability of the assets' status,
- (b) generating asset management information,
- (c) making decisions on assets viz. acquisition, transfer, disposal and usages.
- (d) The timely service capacity of assets.

A record shall be maintained for the other immovable fixed assets in the relevant register of Immovable Property in Form GEN-30 and for the moveable fixed assets in the Register of Moveable Property in Form GEN-31.

6.6 Assets Database and Codification Structure:

- All Municipalities shall maintain the information relating to the Infrastructural Assets in an Asset Register(AR-1) and shall ensure that the information in the AR-1 is proper and up to date in all respects.
- The Custodian of Assets/ or official in-charge shall maintain the AR updated.
- A Codification System to identify each asset with a unique number is the precondition for effective asset management.
- Codification System serves four purposes viz.

- Identifying each asset with a unique number through its life cycle;
- Tagging the movable assets with asset number to facilitate physical verification and discourage theft/loss;
- Collecting all related data of the assets in a database;
- Obtain information about an individual asset or a class of assets based on the asset code. In computerized systems, code is generally used as key field in asset database.

6.7 Assets Register:

Each Municipality shall prepare Assets Register and shall follow the below instructions for the preparation of Asset Register (AR-1).

- (a) One page shall be allotted to one asset
- (b) Allot unique code for each asset
- (c) The code shall be tagged with the asset also (if immovable)
- (d) Enter all details of assets as per the description given along with the format of asset register.
- (e) The register shall be prepared at Custodian of Asset (CA) level.
- (f) All assets coming above capital threshold limit (i.e. ₹ 5,000) shall have a page in the asset register.
- (g) The small assets (i.e. below the value of ₹ 5,000) and safeguarded assets shall be recorded separately in separate register.
- (h) The consolidated amount shall be shown in balance sheet.
- (i) The recording of small assets and safe guarded assets are recorded after grouping the assets.
- (j) Monthly monitoring shall be planned and conducted for these small and safe guarded assets.
- (k) The Municipality shall ensure that the Assets Register (AR) shall be prepared.

6.8 Accounting Policies for Fixed Assets:

- (a) The cost of fixed assets shall include cost incurred/money spent in acquiring or installing or constructing fixed assets.
- (b) Fixed assets shall be reported at written down value (i.e. Historical cost of the asset less up-to-date depreciation) in financial statements.
- (c) Fixed assets acquired for a non-monetary consideration or free of cost by way of grants or as a gift or alienation or vested lands shall be accounted at their fair value or at a nominal value of ₹ 1.
- (d) All heritage assets shall be identified and measured at historical cost where records are available otherwise at nominal value of ₹ 1.
- (e) Expenditure under Capital Work in Progress (CWIP) is capitalized as and when the construction/acquisition is completed and available for use. The capitalization is done under the appropriate fixed asset head.
- (f) Any addition or improvement to the fixed asset that results in increasing the capacity or useful life of the asset shall be capitalized and included in the cost of asset.
- (g) Expenditure incurred to maintain the asset and sustain its functioning shall be charged off as revenue expenditure.
- (h) All assets costing less than ₹ 5,000 (Rupees five thousands) shall be charged to Income and Expenditure Account in the year of purchase;

6.9 Accounting Policy for Revaluation of Fixed Assets

- (a) An increase in net book value arising on revaluation shall be credited to a reserve account under the respective fund as 'Revaluation Reserve'. A decrease in the net book value arising on revaluation of fixed assets shall be charged to the 'Revaluation Reserve' to the extent that it represents an increase in an earlier revaluation. Excess, if any, is charged to the Income and Expenditure account as assets written off.
- (b) Revaluation of a class of assets shall not result in the net book value of that class being greater than the recoverable amount of the assets of that class.
- (c) Depreciation on a revalued asset shall be calculated on the value after revaluation, at rates necessary to charge off the asset over the remaining useful life of the asset.

6.10 Accounting Policy for Impairment of Assets

- (a) An asset is impaired when its carrying amount exceeds its recoverable amount.
- (b) An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- (c) The impairment loss is to be adjusted against revaluation reserve if any for that asset and any excess shall be charged to the income and expenditure account.

6.11 Accounting Policy for Loss/Misplaced Fixed Assets

- (a) Assets recorded in the register but not physically available shall be "written off" after a specified period as prescribed by the Government.
- (b) Procedure to write off the misplaced fixed assets: According to Significant Accounting Principles, all misplaced assets are to be written off. Following procedure shall be adopted for writing off the misplaced fixed assets:
- 6.11.1 For any fixed asset which is misplaced for more than five years, Chief Municipal Officer shall prepare a list of such fixed assets and write to Government for seeking permission to write off. No asset or revenues shall be written off without the permission as per policy of Urban Local Bodies Department.
- 6.11.2 After receiving such concurrence of the Government of Haryana, Accounts Branch of the municipalities shall pass the necessary journal entries. For example, an asset was purchased ₹ 1,00,000/- and recognizes ₹ 10,000/- of depreciation per year over the following ten years. But the asset is not trackable and it is decided that asset shall be written off. Accounts Branch records the following entry in its books:

Code of Account	Particulars	Debit Amount	Credit Amount
1	2	3	4
411-(a)	Accumulated Depreciation A/c	1,00,000	
410-(a)	To Asset A/c*		1,00,000

- (a) Insert Minor and Detail Code of Account as applicable

A variation on this situation is to write off a fixed asset that has not yet been completely depreciated. In this situation, write off the remaining un-depreciated amount of the asset to a loss account. To use the same example, asset is not trackable after eight years use, when it has not yet depreciated ₹20,000 of the asset's original cost ₹1,00,000/-. In this case, ABC will record the following entry in its books:

Code of Account	Particulars	Debit	Credit
1	2	3	4
271-(a)	Loss on asset disposal A/c	20,000	
411-(a)	Accumulated Depreciation A/c	80,000	
410-(a)	To Asset A/c*		1,00,000

6.12 Depreciation of Fixed Assets

- 6.12.1 Depreciation shall be charged by Written down Value (WDV) method or Straight-Line Method as specified for all fixed assets except land.\
- 6.12.2 Depreciation shall not be charged on heritage assets which are carried in the books of account at a value of ₹ 1,
- 6.12.3 The depreciation method selected shall be applied consistently from period to period. A change from one method of providing depreciation to another shall be made only if the adoption of the new method is required by statute or for compliance with an accounting standard or if it is considered that the change shall result in a more appropriate preparation or presentation of the financial statements of the enterprise. When such a change in the method of depreciation is made, depreciation shall be recalculated in accordance with the new method from the date of the asset coming into use. The deficiency or surplus arising from retrospective recompilation of depreciation in accordance with the new method shall be adjusted in the accounts in the year in which the method of depreciation is changed. In case the change in the method results in deficiency in depreciation in respect of past years, the deficiency shall be charged in the Income and Expenditure Account. In case the change in the method results in surplus, the surplus shall be credited to the statement of profit and loss. Such a change shall be treated as a change in accounting policy and its effect shall be quantified and disclosed.

6.13 **Rate of Depreciation:** The rates of depreciation for different types of fixed assets are given in below table:

Nature of Assets		Useful Life	Depreciation Rate	
			SLM	WDV
1		2	3	4
I	Buildings [NESD]			
	(a) Building (other than factory buildings) RCC Frame Structure	60 Years	1.58%	4.87%
	(b) Building (other than factory buildings) other than RCC Frame Structure	30 Years	3.17%	9.50%
	(c) Factory buildings	30 Years	3.17%	9.50%
	(d) Fences, wells, tube wells	5 Years	19.00%	45.07%
	(e) Other (including temporary structure, etc.)	3 Years	31.67%	63.16%
II	Bridges, culverts, bunkers, etc. [NESD]	30 Years	3.17%	9.50%
III	Roads [NESD]			
	(a) Carpeted Roads			
	(i) Carpeted Roads – RCC	10 Years	9.50%	25.89%
	(ii) Carpeted Roads – other than RCC	5 Years	19.00%	45.07%
	(b) Non-carpeted roads	3 Years	31.67%	63.16%
IV	Plant and Machinery			
	i General rate applicable to Plant and Machinery not covered under Special Plant and Machinery			
	(a) Plant and Machinery other than continuous process plant not covered under specific industries [NESD]	15 Years	6.33%	18.10%
	(b) continuous process plant for which no special rate has been prescribed under (ii) below [NESD]	8 Years	11.88%	31.23%
	ii Special Plant and Machinery			
	(a) Plant and Machinery related to production and exhibition of Motion Picture Films			
	1. Cinematograph films— Machinery used in the production and exhibition of cinematograph films, recording and reproducing equipment, developing machines, printing machines, editing machines, synchronizers and studio lights except Municipalities	13 Years	7.31%	20.58%
	2. Projecting equipment for exhibition of films	13 Years	7.31%	20.58%
	(b) Plant and Machinery used in glass manufacturing			
	1. Plant and Machinery except direct fire glass melting furnaces — Recuperative and regenerative glass melting furnaces	13 Years	7.31%	20.58%
	2. Plant and Machinery except direct fire glass melting furnaces — Moulds [NESD]	8 Years	11.88%	31.23%
	3. Float Glass Melting Furnaces [NESD]	10 Years	9.50%	25.89%
	(c) Plant and Machinery used in mines and quarries— Portable underground machinery and earth moving machinery used in open cast mining [NESD]	8 Years	11.88%	31.23%

Nature of Assets			Useful Life	Depreciation Rate	
				SLM	WDV
1			2	3	4
	(d)	Plant and Machinery used in Telecommunications [NESD]			
		1. Towers	18 Years	5.28%	15.33%
		2. Telecom transceivers, switching centres, transmission and other network equipment	13 Years	7.31%	20.58%
		3. Telecom – Ducts, Cables and optical fibre	18 Years	5.28%	15.33%
		4. Satellites	18 Years	5.28%	15.33%
	(e)	Plant and Machinery used in exploration, production and refining oil and gas [NESD]			
		1. Refineries	25 Years	3.80%	11.29%
		2. Oil and gas assets (including wells), processing plant and facilities	25 Years	3.80%	11.29%
		3. Petrochemical Plant	25 Years	3.80%	11.29%
		4. Storage tanks and related equipment	25 Years	3.80%	11.29%
		5. Pipelines	30 Years	3.17%	9.50%
		6. Drilling Rig	30 Years	3.17%	9.50%
		7. Field operations (aboveground) Portable boilers, drilling tools, well-head tanks, etc.	8 Years	11.88%	31.23%
		8. Loggers	8 Years	11.88%	31.23%
	(f)	Plant and Machinery used in generation, transmission and distribution of power [NESD]			
		1. Thermal/ Gas/ Combined Cycle Power Generation Plant	40 Years	2.38%	7.22%
		2. Hydro Power Generation Plant	40 Years	2.38%	7.22%
		3. Nuclear Power Generation Plant	40 Years	2.38%	7.22%
		4. Transmission lines, cables and other network assets	40 Years	2.38%	7.22%
		5. Wind Power Generation Plant	22 Years	4.32%	12.73%
		6. Electric Distribution Plant	35 Years	2.71%	8.20%
		7. Gas Storage and Distribution Plant	30 Years	3.17%	9.50%
		8. Water Distribution Plant including pipelines	30 Years	3.17%	9.50%
	(g)	Plant and Machinery used in manufacture of steel			
		1. Sinter Plant	20 Years	4.75%	13.91%
		2. Blast Furnace	20 Years	4.75%	13.91%
		3. Coke Ovens	20 Years	4.75%	13.91%
		4. Rolling mill in steel plant	20 Years	4.75%	13.91%
		5. Basic oxygen Furnace Converter	25 Years	3.80%	11.29%
	(h)	Plant and Machinery used in manufacture of non-ferrous metals			
		1. Metal pot line [NESD]	40 Years	2.38%	7.22%

Nature of Assets				Useful Life	Depreciation Rate	
					SLM	WDV
1				2	3	4
			2. Bauxite crushing and grinding section [NESD]	40 Years	2.38%	7.22%
			3. Digester Section [NESD]	40 Years	2.38%	7.22%
			4. Turbine [NESD]	40 Years	2.38%	7.22%
			5. Equipments for Calcination [NESD]	40 Years	2.38%	7.22%
			6. Copper Smelter [NESD]	40 Years	2.38%	7.22%
			7. Roll Grinder	40 Years	2.38%	7.22%
			8. Soaking Pit	30 Years	3.17%	9.50%
			9. Annealing Furnace	30 Years	3.17%	9.50%
			10. Rolling Mills	30 Years	3.17%	9.50%
			11. Equipments for Scalping, Slitting, etc. [NESD]	30 Years	3.17%	9.50%
			12. Surface Miner, Ripper Dozer, etc., used in mines	25 Years	3.80%	11.29%
			13. Copper refining plant[NESD]	25 Years	3.80%	11.29%
		(i)	Plant and Machinery used in medical and surgical operations [NESD]			
			1. Electrical Machinery, X- ray and electrotherapeutic apparatus and accessories thereto, medical, diagnostic equipments, namely, Cat- scan, Ultrasound Machines,ECG Monitors, etc.	13 Years	7.31%	20.58%
			2. Other Equipments.	15 Years	6.33%	18.10%
		(j)	Plant and Machinery used in manufacture of pharmaceuticals and chemicals [NESD]			
			1. Reactors	20 Years	4.75%	13.91%
			2. Distillation Columns	20 Years	4.75%	13.91%
			3. Drying equipments/Centrifuges and Decanters	20 Years	4.75%	13.91%
			4. Vessel/storage tanks	20 Years	4.75%	13.91%
		(k)	Plant and Machinery used in civil construction			
			1. Concreting, Crushing, Piling Equipments and Road Making Equipments	12 Years	7.92%	22.09%
			2. Heavy Lift Equipments—			
			-Cranes with capacity of more than 100 tons	20 Years	4.75%	13.91%
			-Cranes with capacity of less than 100 tons	15 Years	6.33%	18.10%
			3. Transmission line, Tunneling Equipments [NESD]	10 Years	9.50%	25.89%
			4. Earth-moving equipments	9 Years	10.56%	28.31%
			5. Others including Material Handling /Pipeline/Welding Equipment [NESD]	12 Years	7.92%	22.09%
		(l)	Plant and Machinery used in salt works [NESD]	15 Years	6.33%	18.10%

Nature of Assets			Useful Life	Depreciation Rate	
				SLM	WDV
I			2	3	4
V	Furniture and fittings [NESD]				
	(i)	General furniture and fittings	10 Years	9.50%	25.89%
	(ii)	Furniture and fittings used in hotels, restaurants and boarding houses, schools, colleges and other educational institutions, libraries; welfare centres; meeting halls, cinema houses; theatres and circuses; and furniture and fittings let out on hire for use on the occasion of marriages and similar functions.	8 Years	11.88%	31.23%
VI.	Motor Vehicles [NESD]				
	1	Motor cycles, scooters and other mopeds	10 Years	9.50%	25.89%
	2	Motor buses, motor lorries, motor cars and motor taxies used in a business of running them on hire	6 Years	15.83%	39.30%
	3	Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	8 Years	11.88%	31.23%
	4	Motor tractors, harvesting combines and heavy vehicles	8 Years	11.88%	31.23%
	5	Electrically operated vehicles including battery powered or fuel cell powered vehicles	8 Years	11.88%	31.23%
VII	Ships [NESD]				
	Ocean-going ships				
	(i)	Bulk Carriers and liner vessels	25 Years	3.80%	11.29%
	(ii)	Crude tankers, product carriers and easy chemical carriers with or without conventional tank coatings.	20 Years	4.75%	13.91%
	(iii)	Chemicals and Acid Carriers:			
		(a) With Stainless steel tanks	25 Years	3.80%	11.29%
		(b) With other tanks	20 Years	4.75%	13.91%
	(iv)	Liquefied gas carriers	30 Years	3.17%	9.50%
	(v)	Conventional large passenger vessels which are used for cruise purpose also	30 Years	3.17%	9.50%
	(vi)	Coastal service ships of all categories	30 Years	3.17%	9.50%
	(vii)	Offshore supply and support vessels	20 Years	4.75%	13.91%
	(viii)	Catamarans and other high-speed passenger for ships or boats	20 Years	4.75%	13.91%
	(ix)	Drill ships	25 Years	3.80%	11.29%
	(x)	Hovercrafts	15 Years	6.33%	18.10%
	(xi)	Fishing vessels with wooden hull	10 Years	9.50%	25.89%
	(xii)	Dredgers, tugs, barges, survey launches and other similar ships used mainly for dredging purposes	14 Years	6.79%	19.26%

Nature of Assets		Useful Life	Depreciation Rate	
			SLM	WDV
1	2	3	4	
	Vessels ordinarily operating on inland waters—			
	(i) Speed boats	13 Years	7.31%	20.58%
	(ii) Other vessels	28 Years	3.39%	10.15%
VIII.	Aircrafts or Helicopters [NESD]	20 Years	4.75%	13.91%
IX.	Railways sidings, locomotives, rolling stocks, tramways and railways used by concerns, excluding railway concerns [NESD]	15 Years	6.33%	18.10%
X.	Ropeway structures [NESD]	15 Years	6.33%	18.10%
XI.	Office equipment [NESD]	5 Years	19.00%	45.07%
XII.	Computers and data processing units [NESD]			
	(i) Servers and networks	6 Years	15.83%	39.30%
	(ii) End user devices, such as, desktops, laptops, etc.	3 Years	31.67%	63.16%
XIII.	Laboratory equipment [NESD]			
	(i) General laboratory equipment	10 Years	9.50%	25.89%
	(ii) Laboratory equipment used in educational institutions	5 Years	19.00%	45.07%
XIV.	Electrical Installations and Equipment [NESD]	10 years	9.50%	25.89%
XV.	Hydraulic works, pipelines and sluices [NESD]	15 Years	6.33%	18.10%

Note: For the purposes of calculating the depreciation rate, the residual value of the asset has been assumed to be 5% of the original cost.

In respect of additions to fixed assets during the year, depreciation shall be calculated in the following manner:

Assets purchased/constructed before October 1 st of the accounting year	Full rate
Assets purchased/constructed on/after October 1 st of the accounting year	Half rate
Assets disposed off before October 1 st of the accounting year	Half rate
Assets disposed off on/after October 1 st of the accounting year	Full rate

6.14 Accounting Record and Procedures:

The procedure for accounting of fixed assets is briefly described below:

- Earnest Money Deposit (EMD) as prescribed shall be received from the bidders for the tender as per the principles and procedures prescribed by the Government. On award of the contract, Earnest Money Deposit (EMD) shall be refunded to the unsuccessful bidders;
- Contract for supply of requisite fixed asset shall be awarded to the successful supplier and a Purchase Order shall be issued to the supplier for supply of fixed assets specified therein;
- Advance may be provided to the contractor as per the terms and procedures of the Municipality/ PWD Code and purchase agreement/tender document entered into with the contractor; on receipt of bill, the concerned branch shall prepare a payment order in Form GEN-14 for the purchase/acquisition of the Fixed Asset and forward it to the Accounts Branch to make the payment after deducting the Security Deposit and any other deductions specified in the purchase agreement;

6.15 Accounting for Earnest Money Deposit (EMD):

Earnest Money Deposit shall be collected from the bidders on such basis as determined by the Municipality at the time of submitting the tenders. A receipt in Form GEN-8 shall be issued for the amount collected. The accounting for collection of Earnest Money Deposit (EMD) from the bidders, refund of Earnest Money Deposit (EMD) to the unsuccessful bidders and conversion of Earnest Money Deposit (EMD) of successful bidder into Security Deposit and its refund shall be the same as provided in the Chapter "Municipal Works".

6.16 Accounting for Security Deposit:

Where the terms of agreement entered into with the supplier provide for collection of a certain percentage of security deposit in advance, a receipt (Form GEN-8) shall be issued for the amount collected to the successful bidder. The procedure for accounting of security deposit received and refunded on successful execution of the order shall be the same as provided in Chapter "Municipal Works".

6.17 Accounting for Advance:

As per the terms of purchase agreement, advance shall be paid to the supplier. The procedure to be followed for payment and accounting in respect of advance shall be the same as provided in the Chapter "Municipal Works".

6.18 Accounting for Acquisition/ Purchase of Fixed Assets**(a) Accounting for purchase of Fixed Assets:**

When an asset is acquired for a specific purpose and not as a part of a project, it is immediately capitalized upon its purchase. The branch which purchases the Fixed Asset shall prepare a FA-JV (specimen has been provided in Part-II of this Account Code) for the purchase and forward it to Accounts Branch. The cost of the fixed assets shall also include installation, duties, taxes and other incidental expenses for example transport charges, port dues, advertisement charges for tender notifications etc. incurred towards acquisition of an asset.

(b) Recording of purchase of Fixed Assets:

The fixed asset shall be recorded at the gross value by debiting the respective fixed asset account and crediting the accounts payable – suppliers account. To record the purchase of the computer and printers, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
410-60-000-01	Computer and Printer A/c	Dr.	1,00,000		Journal Book and Ledger
350-10-000-01	To Supplier's A/c	Cr.		90,000	
340-10-000-02	To Suppliers–Security Deposit A/c	Cr.		5,000	
460-40-000-05	To Advance to Suppliers A/c	Cr.		5,000	

➤ **Note 1:** All the fixed assets belonging to a class of assets shall be accounted under that asset class. For instance, the acquisition of a building for any purpose shall be accounted under the asset head of Buildings.

➤ **Note 2:** The cost of the fixed assets shall also include installation, duties, taxes and other incidental expenses for example, transport charges, port dues, etc. incurred towards acquisition of an asset.

➤ **Note 3:** The postings in the Ledger Accounts of "Fixed Asset" Account, "Suppliers" Account, "Security Deposit" Account and "Advance to Supplier" Account shall be carried out as indicated in Chapter 4 – General Accounting Procedures. The postings in the Ledger Accounts shall be similarly carried out in respect of all other accounting entries described subsequently in this chapter. Whenever, the cash or the bank account is involved, there shall be no entry in the Journal Book.

(c) Payment made for purchase of Fixed Asset:

After obtaining approval of the concerned authority, the Accounts Branch shall prepare a Bank Payment Voucher in Form GEN-5 and draw a cheque. On payment, the Accounts payable – Supplier is debited and Bank Account is credited.

Fixed assets acquired for a non-monetary consideration or free of cost by way of grants in kind or gifts, alienations or vested lands shall be accounted at fair value determined on the basis of a valuation by a certified value. Heritage assets transferred to the Municipality shall be accounted at a nominal value of ₹ 1/-. On payment, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
350-10-000-01	Suppliers A/c	Dr.	90,000		Cash Book and Ledger
450-21-000-(a)	To Main Bank A/c*	Cr.		90,000	

* Specify name of the Bank and account number.

(d) **Additions/Improvement to existing fixed assets:**

Any addition or improvement to a Fixed Asset that results in increasing the utility or useful life of the asset shall be capitalized and included in the cost of Fixed Asset. The entry shall be passed by debiting fixed assets account and crediting Accounts payables – Suppliers account.

6.19 Depreciation

Depreciation has a significant effect in determining and presenting the financial position and results of operations of an enterprise. Depreciation is charged in each accounting period by reference to the extent of the depreciable amount, irrespective of an increase in the market value of the assets.

Assessment of depreciation and the amount to be charged in respect thereof in an accounting period are usually based on the following three factors

- Historical cost or other amount substituted for the historical cost of the depreciable asset when the asset has been revalued;
- Expected useful life of the depreciable asset; and
- Estimated residual value of the depreciable asset

The useful life of a depreciable asset is shorter than its physical life and is:

- Pre-determined by legal or contractual limits, such as the expiry dates of related leases;
- Directly governed by extraction or consumption;
- Dependent on the extent of use and physical deterioration on account of wear and tear which again depends on operational factors, such as, the number of shifts for which the asset is to be used, repair and maintenance policy of the enterprise etc.; and
- Reduced by obsolescence arising from such factors as: (a) technological changes; (b) improvement in production methods; (c) change in market demand for the product or service output of the asset; or (d) legal or other restrictions.

6.19.1 Depreciation In case Historical Cost of Fixed Asset Changes:

Where the historical cost of a depreciable asset has undergone a change due to increase or decrease in long term liability on account of exchange fluctuations, price adjustments, changes in duties or similar factors, the depreciation on the revised unamortized depreciable amount shall be provided prospectively over the residual useful life of the asset.

6.19.2 Depreciation In case of Fixed Assets are Revalued:

Where the depreciable assets are revalued, the provision for depreciation shall be based on the revalued amount and on the estimate of the remaining useful lives of such assets. In case the revaluation has a material effect on the amount of depreciation, the same shall be disclosed separately in the year in which revaluation is carried out.

6.19.3 Depreciation in case of Assets Acquired from Grant:

- Grant is recognized in the Income and Expenditure Account over the useful life of a depreciable asset by way of a reduced depreciation charge.
- Grants related to depreciable assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Grants related to non-depreciable assets are credited to capital reserve under this method, as there is usually no charge to income in respect of such assets. However, if a grant related to a non-depreciable asset requires superintendence of certain obligations, the grant is credited to income over the same period over which the cost of meeting such obligations is charged to income. The deferred income is suitably disclosed in the balance sheet pending its apportionment to profit and loss account.

6.19.4 Depreciation in case Grant becomes Refundable:

The amount refundable in respect of a government grant related to a specific fixed asset is recorded by increasing the book value of the asset or by reducing the capital reserve or the deferred income

balance, as appropriate, by the amount refundable. In the first alternative, i.e., where the book value of the asset is increased, depreciation on the revised book value is provided.

6.19.5 Amount of Depreciation:

At the end of the accounting year, depreciation shall be provided on each class of fixed asset at the prescribed rates. The amount of depreciation to be provided each year shall be computed by applying the depreciation rate to the cost or written down value of fixed asset as per the accounting principles of the Municipality. An example of computation of depreciation on Computers etc. on written down value is provided in the table given below:

Serial Number	Particulars	Amount (₹)
1	2	3
A	Original Cost of Fixed Asset at the beginning of the year 10,000	10,000
B	Less: Original Cost of fixed asset sold during the accounting year*	2,000
C	Original Cost of the fixed asset held at year-end	8,000
D	Annual Depreciation provision (@20%) for the financial year	1,600
Depreciation on fixed assets purchased during the year**		
E	Depreciation on the fixed asset purchased before October 1 of an	400
F	Depreciation on the fixed asset purchased after October 1 of an	100
G	Total Depreciation charge for the year (d + e + f)	2,100

* Refer sale of fixed asset worth ₹ 2,000 in para 6.23 below in the section 'Sale/ Disposal of Fixed Assets'.

** It is assumed that fixed assets worth ₹ 2,000 were purchased before October 1 of an accounting year and fixed assets worth ₹ 1,000 were purchased after October 1 of an accounting year.

6.19.6 Recording of depreciation on fixed asset: -

For providing depreciation (refer e.g. In Table below), the Accounts Branch shall pass the following entry:

Code of A/c	Accounting Entry	Dr. Cr	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
272-60-000-01	Depreciation on Computers	Dr.	2,100		Journal Book and Ledger.
411-60-000-01	To Accumulated Depreciation A/c	Cr.		2,100	

Note: Separate depreciation entry shall be passed for each class of fixed assets, such as Buildings, Vehicles, etc. as shown below.

6.20 Maintenance of Asset Registers

The Asset Register shall be maintained category wise and assets are recorded at their original costs in case of bought out assets or the capitalized costs in case of transfer from capital work in progress. The maintenance of this register is the responsibility of the Engineering Branch. The Engineer In-Charge shall arrange for annual physical verification of all items of assets and take appropriate action wherever there is discrepancy. Separate Asset Register shall be maintained by the Town Planning Officer for lands. The Asset register shall be maintained in form AR-1 which has been provided in the Part-II of this Accounts Code.

6.21 Register of Immovable Property:

Register of Immovable Property maintained in Form GEN-30, Register of Moveable Property maintained in Form GEN-31, and Register of Public Lighting System in Form GEN-36 shall be updated in respect of the depreciation provision made during an accounting year annually.

6.22 Maintenance of Sinking Fund

Municipality may maintain sinking funds to invest the replacement of assets. In such cases, the following procedures shall be adopted:

6.22.1 Recording of transfer of funds from Main Bank Account to Asset Replacement Bank Account:

- Immediately after the approval of Financial Statements by the Municipality, an amount equivalent to depreciation provision for the year shall be transferred from the Main Bank Account to Asset

Replacement Bank Account for which the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
450-41-000-01	Designated Bank A/c*	Dr.	2,100		Cash Book and Ledger
450-21-000-01	To Bank Account*	Cr.		2,100	

* Specify name of the Bank and account number.

6.22.2 Utilization of Sinking Fund: The amount so set aside shall be utilized only for the purpose of purchase or acquisition of the fixed assets pertaining to the asset class in respect of which the above depreciation has been provided.

6.22.3 Asset Replacement Register: Asset Replacement Register in GEN-35 shall be maintained asset class-wise to record the money set aside and shall be updated for deposits made to Asset Replacement Bank Account in respect of annual depreciation provision made during the accounting year and for utilization of proceeds from the Asset Replacement Bank Account for the purpose of replacement by way of purchase / acquisition / construction of fixed asset.

6.22.4 Recording of transfer of funds from Asset Replacement Bank Account to Main Bank Account: In case, where the payment in respect of any such fixed assets is made through the Main Bank Account, the Accounts Branch shall transfer an amount equivalent to the cost of acquisition from the Asset Replacement Bank Account to the Main Bank Account and pass the following entry:

Code of Account	Accounting Entry	Dr/ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
450-21-000-01	Main Bank Account*	Dr.	200		Cash Book and Ledger
450-41-000-01	To Asset Replacement Bank A/c*	Cr.		200	

*Specify name of the bank branch and account number.

6.23 Sale/Disposal of Fixed Assets

The Fixed Assets may be transferred by way of sale either through auction or otherwise. The procedure for accounting of receipt of Earnest Money Deposit (EMD) from the bidders, refund of Earnest Money Deposit (EMD) to the unsuccessful bidders, conversion of Earnest Money Deposit (EMD) of successful bidder into security deposit and its adjustment shall be the same as provided in Chapter of Municipal Works.

6.23.1 Recording of Depreciation on disposal of fixed assets: - Depreciation shall be provided at the prescribed rates on the asset class (in respect of fixed asset sold). The amount of depreciation to be provided shall be computed by applying the depreciation rate to the cost of fixed asset (computer) up to the month of sale. For providing depreciation, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
272-60-000-01	Depreciation on computer A/c	Dr.	100		Journal Book and Ledger
411-60-000-01	To Accumulated Depreciation	Cr.		100	

6.23.2 Recording of disposal of fixed asset: In respect of the fixed asset to be sold, the Accounts Branch shall compute the Written down Value for that Fixed Asset. Written- Down Value of an asset is calculated as Cost of the Fixed Asset – Accumulated Depreciation provided till the previous year Provision for Depreciation

made during the year till the month of disposal (computed in Table below). The Accounts Branch shall pass the following entry for disposal of chairs:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹) Illustrative figure	Credit Amount (₹) Illustrative figure	Books to be entered into
1	2	3	4	5	6
410-90-000-11	Chairs under Disposal A/c	Dr.	1,500		Journal Book And Ledger
411-70-000-03	Accumulated Depreciation	Dr.	500		
410-70-000-03	To Fixed Assets-Chair A/c	Cr.		2,000	

6.23.3 Recording of receipt of money on disposal of Fixed Asset: - On receipt of money, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
450-21-000-01	Main Bank A/c*	Dr.	1,500		Cash Book and Ledger
350-90-000-01	To Sale of Fixed Assets – Chairs A/c	Cr.		1,500	

* Specify name of Bank and account number.

Note: This entry shall be passed for the consideration amount at which the Fixed Asset is disposed.

6.23.4 Recording of refund of Security Deposit: After the completion of the disposal of the fixed asset, security deposit (if any) received shall be refunded for which the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
340-10-000-02	From Contractors– Security Deposit A/c	Dr.	500		Cash book and Ledger
450-21-000-01	To Main Bank A/c*	Cr.		500	

* Specify name of Bank and account number.

6.23.5 Profit or Loss on Disposal: The concerned fixed asset may be transferred at a loss or profit in comparison to its written down value, as provided in Table Below which shall be calculated by applying the rate of depreciation (prescribed for the asset class) to the cost of fixed asset sold. The cost of fixed asset sold shall be obtained from Register of Immovable Property (GEN-30).

Table: Computation of Profit or Loss on Disposal of Fixed Asset

Serial Number	Particulars	Profit scenario Amount (₹)	Loss scenario Amount (₹)
1	2	3	4
A	Original cost of Fixed Asset	2,000	2,000
B	Add: Cost of improvement/addition	0	0
C	Total cost of Fixed Asset (a +b)	2,000	2,000
D	Less: Depreciation provided from the year of acquisition till the previous financial year	400	400
E	Less: Depreciation provided for the current financial year till the month of disposal	100	100
F	Total Depreciation provided on the Fixed Asset Disposed (d +e)	500	500
G	Written down Value of the Fixed Asset at the time of transfer (c – f)	1,500	1,500
H	Less: Disposal value realized	2,000	500
I	Profit or (loss) on transfer of Fixed Asset (h-g)	500	1,000

6.23.6 Recording profit/loss on disposal of Fixed Asset: - In case the asset is disposed at ₹ 2000, i.e., a profit of ₹ 500 is earned on disposal of fixed asset, the Accounts branch shall pass the entry referred to in preceding para for ₹ 500 for recording the money realized on disposal of fixed asset. For profit incurred on disposal of fixed asset, the Accounts Branch shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
350-90-000-(a)	Sale Proceeds of fixed asset	Dr.	2,000		Journal And Ledger
410-90-000-(a)	To Fixed Assets-Assets Under Disposal	Cr.		1,500	
180-30-000-(a)	To Profit on disposal of Fixed Asset	Cr.		500	

(a) Insert detailed code of accounts as applicable.

6.24 Revaluation of Fixed Assets

Fixed assets may be revalued under the following circumstances such as:

- Commercial development of the fixed assets is taken up after the land use and architectural control have been approved by the competent authority;
- At the time of lease; or
- At the time of issue of municipal bonds.

(a) **Procedure of Revaluation:** The procedure for accounting of revaluation of fixed assets is briefly described below:

- Recording for increase or decrease of the values of the fixed assets;
- Recording of amortization of revaluation reserve;
- Recording of disposal of revalued assets.

- (i) **Recording of increase in the value of assets:** - Increase in values arising on account of revaluation of the fixed assets shall be credited to a reserve account under General Fund. The accounting entry for recording the increase shall be as follows:

Code of Account	Accounting Entry	Dr./Cr	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
410 -(b) 312-60-000-(a)	Fixed Assets To Reserves- Revaluation Reserve	Dr. Cr.	10,000	10,000	Journal Book, Ledger and Fixed Assets Register

(a) Insert Detailed Codes of Account as applicable.

(b) Insert Minor and Detailed Codes of Account as applicable.

- (ii) **Recording of decrease in the value of assets:** - Decrease in the value of fixed assets because of revaluation shall be charged off in the Income and Expenditure Account. The accounting entry for recording the decrease shall be as follows:

Code of Account	Accounting Entry	Dr./Cr	Debit Amount (₹) Illustrative figure	Credit Amount (₹) Illustrative Figure	Books to be entered into
1	2	3	4	5	6
270-40-000-(a) 410-(b)	Assets Written Off/Decline in value of Assets on Revaluation To Fixed Assets	Dr. Cr.	10,000	10,000	Journal Book, Ledger and Fixed Asset Register

(a) Insert Detailed Head Codes of Account as applicable.

(b) Insert Minor and Detailed Head Codes of Account as applicable .

- (iii) **Recording of adjustment of depreciation against revaluation reserve:** Revaluation reserve shall be adjusted /reduced by an amount equivalent to the depreciation charged on the revalued portion of the fixed assets. The accounting entry for recording the adjustment is as as follows:

Code of Account	Accounting Entry	Dr./Cr	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
312-60-000-(a) 272-(b)	Revaluation Reserve To Depreciation on Fixed Assets	Dr. Cr.	3,000	3,000	Journal book, Ledger and Fixed Asset

(a) Insert Detailed Codes of Account as applicable.

(b) Insert Minor and Detailed Codes of Account as applicable.

- (iv) **Recording of disposal of assets revalued:** In case the assets revalued have been disposed of or written off, the revaluation reserve, if any, relating to those assets shall also be reversed.

- (b) **Loss/Profit on Revaluation:**

The concerned fixed asset may be transferred at a loss or profit in comparison to its written down value, as provided in Table below which shall be calculated by applying the rate of depreciation (prescribed for the asset class) to the cost of fixed asset sold. The cost of fixed asset sold shall be obtained from Register of Immovable Property (GEN-30).

Table: Computation of Profit or Loss on Disposal of Fixed Asset

Serial Number	Particulars	Profit scenario Amount (₹)
A	Original Cost of Fixed Asset	5,000
B	Add:- Cost of improvement/ addition	2,500
C	Total cost of Fixed Asset (a + b)	7,500
D	Less:- Depreciation provided from the year of acquisition till the previous financial year	3,500
E	Less:- Depreciation provided for the current financial year till the month of disposal	200
F	Total Depreciation provided on the Fixed Asset Disposed (d+e)	3,700
G	Written down Value of the Fixed Asset at the time of transfer (c-f)	3,800
H	Less:- Disposal value realized	6,000
I	Profit or (loss) on transfer of Fixed Asset (h - g)	2,200

6.25 Investment from asset replacement bank account**6.25.1 Accounting Procedure:**

The accounting procedures to be followed, the accounting entries to be recorded and accounting records to be updated in respect of investments of such funds are similar to those followed in respect of investments. They relate to investments, maturity of investment, recording of interest, profit/loss on sale/maturity of investments, etc. These have been described in Chapter of Investments.

6.26 Valuation of Fixed Assets in Special Cases

6.26.1 In the case of fixed assets acquired on hire purchase terms, although legal ownership does not vest in the Municipality, such assets are recorded at their cash value, which, if not readily available, is calculated by assuming an appropriate rate of interest. They are shown in the balance sheet with an appropriate narration to indicate that the enterprise does not have full ownership thereof.

6.26.2 Where a Municipality owns fixed assets jointly with others (otherwise than as a partner in a firm), the extent of its share in such assets, and the proportion in the original cost, accumulated depreciation and written down value are stated in the balance sheet. Alternatively, the pro rata cost of such jointly owned assets is grouped together with similar fully owned assets. Details of such jointly owned assets are indicated separately in the fixed assets register.

6.26.3 Where several assets are purchased for a consolidated price, the consideration is apportioned to the various assets on a fair basis as determined by competent values.

6.26.4 Assets involved in Public Private Partnership (PPP) based on BOT: At the end of Public Private Partnership (PPP) contract period, if the assets have significant residual value and ownership gets transferred or assumed by the Municipality, they shall be considered as Municipality owned assets. The arrangements at the end of the contract term will provide guidance on whether the assets shall be classified as Municipality owned asset and amount to be capitalized.

6.27 Treatment of certain type of assets under dispute/litigation

All the fixed assets accounted in the books of Municipality which are under dispute or litigation shall be disclosed in the financial statements along-with notes/remarks that these are under dispute and also the status of the legal case as at the reporting date of the financial statements shall be given in these statements.

6.28 Assets in Register not yet physically identified

The details of assets, which are in the register but not yet physically identified/traced, shall be disclosed in the financial statements in the form of a note. However, the assets which were/ are not traced within a specific period of time, shall be written off as defined in para 6.11. The Haryana Municipal Act, 1973 (24 of 1973) and the Haryana Municipal Corporation Act 1994 (16 of 1994) provide authorization for write off. Accounts branch shall pass the following entry for recording of write off: -

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (₹)	Credit Amount (₹)	Books to be entered into
1	2	3	4	5	6
270-40-000- 411-(a)	Assets written off- Fixed Accumulated Depreciation	Dr. Dr.	2,000 3,000		Journal and Ledger
410-(a)	To Fixed Assets	Cr.		5,000	

(a) Insert Minor and Detailed Head Codes of Account as applicable.

6.29 Period end procedures

- (a) **Recording of liability for fixed assets purchased for which payment has not been made:** At period end, the concerned branch shall ensure that bills in respect of all the fixed assets received before the last date of the accounting period are processed and sent to the Accounts Branch for accounting and payment within 15 days from the end of the accounting period. Based on the bills received, the Accounts Branch shall pass the same entry described in para. 6.18 (b) above.
- (b) **Provision for Depreciation:** Provision for depreciation on fixed assets shall be calculated for the full year and accounted on pro-rata basis at the period ends. For example, if the total depreciation for full year is (₹ 1,000), the depreciation provision for the current year for the 3 (three) months ended 30th June shall be (₹ 250). However, the depreciation calculation sheet shall be updated for all additions and deletions during the period under reporting and accordingly, the additional provisions for subsequent periods are accounted.
For fixed assets purchased in terms of any financial assistance or grant received or the cost of which is met from funds set aside in a Special Fund, period-end entries as described under "Grants" and under "Special Funds" respectively, shall be recorded.

6.30 Internal controls

The following internal controls shall be observed by the Municipality:

- (a) At the time of award of new contract, the concerned branch shall ensure the availability of adequate budget allocation after considering all commitments made against that budget allocation before purchasing any new fixed asset.
- (b) The Head of the Accounts Branch shall carry out quarterly reconciliation of the balance as per the Deposit Register maintained at the concerned branch with the Deposit Ledger accounts.
- (c) The Head of the Accounts Branch shall have a system of conducting physical verification of fixed assets throughout the year so that each fixed asset is verified at least once during the year. Any discrepancies with the Fixed Assets Register shall be reconciled.
- (d) The Head of the Accounts Branch shall ensure that the amount set aside in the Asset Replacement Bank Account consequent to depreciation provision made, is utilized only for the purpose of purchase or acquisition of fixed asset for which depreciation has been provided.
- (e) Before releasing payment to the supplier, the Head of the Accounts Branch shall ensure that the fixed assets acquired are recorded in the Register of Immovable Properties. Further, it shall be ensured that the Payment Order provides reference of the Register of Immovable Properties where the entry for receipt of fixed assets is recorded.
- (f) At the time of computing depreciation provision for the period, the Head of the Accounts Branch shall ensure that the accumulated depreciation (including current period's depreciation provision) provided on any fixed asset does not exceed its cost of acquisition.
- (g) Accounts In-Charge of Municipality may specify appropriate MIS reports for monitoring.
- (h) All Reconciliation Statements shall be certified by the Head of the Accounts Branch.

6.31 Presentation in financial statements

The various heads of account used for the accounting of fixed assets shall be reflected in the financial statements or the Schedules attached to the Financial Statements of the Municipality. All such financial statements and Schedules shall be affixed with signature/seal of authorized officer.

The Schedules of Income and Expenditure Statement in respect of fixed assets are provided in the Part-II of this Account Code. The Balance Sheet abstract in respect of Fixed Assets is also provided in the Part-II of this Account Code.

6.32 Additional disclosures to the Schedule

- 6.32.1 Value of fixed assets under dispute or litigation shall be provided. The status of the legal cases at the reporting date of the financial statements shall also be mentioned.

6.32.2 The details and value of assets, which are not yet physically identified/traced, shall be disclosed separately.

6.32.3 Details and value of assets under leases and hire purchase needs to be disclosed as a note.

Notes: -

- (i) Gross Block means cost of acquisition of fixed asset. Opening Balance in Gross Block as on the first day of the year represents the closing balance of the previous year. For instance, the opening balance as on 1st April 2024 shall be equal to the closing asset balance as on 31st March 2024.
- (ii) Land includes areas used for the purpose of public places such as parks, squares, gardens, lakes, museums, libraries, go downs etc.
- (iii) Buildings include office and works buildings, commercial buildings, residential buildings, school and college buildings, hospital building, public buildings temporary structures and sheds, etc.
- (iv) Roads and bridges include roads and streets, pavements, pathways, bridges, culverts and subways.
- (v) Sewerage and drainage include sewerage lines, storm water drainage lines and other similar drainage system.
- (vi) Waterworks include water storage tank, water wells, bore wells, Water pumping station, Water transmission and distribution system, etc.
- (vii) No depreciation is to be charged on "Land".
